IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION

In re:	§	Chapter 11
	§	
FORBES ENERGY SERVICES LTD., et al.,[1]	§	Case No. 17-20023 (DRJ))
	§	
Debtors.	§	Jointly Administered
	§	

PLAN SUPPLEMENT

A. Amended Organizational Documents of Reorganized Parent

B. Exit Facility Documents

C. Management Employment Agreements

   i. John E. Crisp
   ii. Charles C. Forbes, Jr.
   iii. L. Melvin Cooper
   iv. Steve Macek

D. Management Incentive Plan

E. Registration Rights Agreement

F. Rejected Executory Contracts and Unexpired Leases

G. Disclosure of Directors of Reorganized Parent and Officers of Reorganized Debtors and Nature of Compensation Payable Thereto

H. Preserved Causes of Action of Debtors Against Third Parties

I. Regions Letter of Credit Agreement

[1] The Debtors, together with the last four digits of each Debtor's tax identification number, are: Forbes Energy Services Ltd. (1100); Forbes Energy Services LLC (6176); C.C. Forbes, LLC (5695); TX Energy Services, LLC (5843); and Forbes Energy International, LLC (6617). The location of the Debtors' headquarters and service address is 3000 South Business Highway 281, Alice, TX 78332.

Dated: March 22, 2017

Respectfully submitted,

/s/ Kenneth Green

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Counsel for the Debtors

EXHIBIT A

Amended Organizational Documents of Reorganized Parent

CERTIFICATE OF INCORPORATION
OF
FORBES ENERGY SERVICES LTD.

FIRST. The name of the corporation is Forbes Energy Services Ltd. (the "Corporation").

SECOND. The street address of the initial registered office of the Company is 1675 S. State Street, Suite B, City of Dover, County of Kent, Delaware 19901 and the name of its initial registered agent at that address is Capitol Services, Inc.

THIRD. The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law. The period of duration of the Corporation is perpetual.

FOURTH. A. The aggregate number of shares of all classes of stock which the Corporation shall have authority to issue is **[twenty-five million (25,000,000) shares],** of which **[twenty-four million (24,000,000)]** will be shares of common stock, par value $.01 per share ("Common Stock"), and one million (1,000,000) of which will be shares of preferred stock, par value $.01 per share ("Preferred Stock"). Preferred Stock may be issued from time to time in one or more series. All shares of any one series of Preferred Stock will be identical except as to the dates of issue and the dates from which dividends on shares of the series issued on different dates will cumulate, if cumulative. Authority is hereby expressly granted to the Board of Directors to authorize the issue of one or more series of Preferred Stock, and to fix by resolution or resolutions providing for the issue of each such series the voting powers, designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, of such series, to the full extent now or hereafter permitted by law. To the extent required by section 1123(a)(6) of the Bankruptcy Reform Act, as codified in title 11 of the United States Code, the issuance of non-voting equity securities is prohibited.

B. Each outstanding share of Common Stock shall entitle the holder thereof to one vote on each matter properly submitted to the stockholders of the Corporation; *provided*, *however*, that, except as otherwise required by law holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together as a class with the holders of one or more other such series, to vote thereon pursuant to this Certificate of Incorporation.

FIFTH. In furtherance and not in limitation of the powers conferred by the laws of the State of Delaware, the Board is expressly authorized to adopt, amend or repeal the bylaws of the Corporation. In addition to any requirements of law and any other provision of this Certificate of Incorporation or the bylaws of the Corporation, and notwithstanding any other provision of this Certificate of Incorporation, the bylaws of the Corporation or any provision of law which might otherwise permit a lesser vote or no vote, the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the holders in voting power of the issued and outstanding Common Stock entitled to vote generally in the election of directors, voting together as a single class, shall be required for the stockholders to amend or repeal, or to adopt any provision inconsistent with, any bylaw of the Corporation.

SIXTH. The Corporation shall indemnify its officers and directors to the full extent permitted by law.

SEVENTH. No director of the Corporation shall be liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except the liability of the director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. For purposes of the first sentence of this Article SEVENTH, the term "damages" shall, to the extent permitted by law, include, without limitation, any judgment, fine, amount paid in settlement, penalty, punitive damages, excise or other tax assessed with respect to an employee benefit plan, or expense of any nature (including, without limitation, counsel fees and disbursements). If the Delaware General Corporation Law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as amended. Each person who serves as a director of the Corporation while this Article SEVENTH is in effect shall be deemed to be doing so in reliance on the provisions of this Article SEVENTH, and neither the amendment or repeal of this Article SEVENTH, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article SEVENTH, shall apply to or have any effect on the liability or alleged liability of any director or the Corporation for, arising out of, based upon, or in connection with any acts or omissions of such director occurring prior to such amendment, repeal, or adoption of an inconsistent provision. The provisions of this Article SEVENTH are cumulative and shall be in addition to and independent of any and all other limitations on or eliminations of the liabilities of directors of the Corporation, as such, whether such limitations or eliminations arise under or are created by any law, rule, regulation, bylaw, agreement, vote of stockholders or disinterested directors, or otherwise.

EIGHTH. The number of directors which shall constitute the Board shall initially be at least five (5) but no more than seven (7). Subject to the rights of holders of Preferred Stock to elect additional directors under certain circumstances, the number of authorized directors may be fixed from time to time by the Board, including at a number of authorized directors less than five (5) or greater than seven (7). The Board of Directors shall be divided into three (3) classes, each class to be as nearly equal in number as possible. The terms of office of directors of the first class are to expire at the first annual meeting of stockholders after their election or appointment, that of the second class is to expire at the second annual meeting after their election or appointment, and that of the third class is to expire at the third annual meeting after their election or appointment. Thereafter, each director shall serve for a term ending on the date of the third annual meeting of stockholders following the annual meeting at which such director was elected.

This classified board provision shall not be altered or repealed without the affirmative vote of the holders of at least eighty percent (80%) of the shares entitled to vote in the election of directors. The directors may not amend or repeal the classified board provision.

NINTH. Meetings of stockholders may be held within or outside the State of Delaware, as the bylaws of the Corporation may provide. The books of the Corporation may be kept (subject to any provisions of the Delaware General Corporation Law) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the bylaws of the Corporation.

TENTH. Any action required or permitted to be taken by stockholders of the Corporation must be effected at a duly called annual or special meeting of such stockholders and may not be effected by consent in writing by such stockholders.

ELEVENTH. The Certificate of Incorporation of the Corporation can only be amended or repealed by the affirmative vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the shares entitled to vote thereon, except with respect to Article EIGHTH above which can only be amended or repealed by the affirmative vote of the holders of at least eighty percent (80%) of the shares entitled to vote thereon.

TWELFTH. The Corporation, having been previously incorporated in the State of Texas, is being reincorporated in the State of Delaware pursuant to Section 265 of the Delaware General Corporation Law and as set forth in the Certificate of Conversion from a Non-Delaware Corporation to a Delaware Corporation filed herewith.

THIRTEENTH: To the fullest extent permitted by applicable law, the Corporation, on behalf of itself and its subsidiaries, renounces any interest or expectancy of the Corporation and its subsidiaries in any business opportunity, transaction or other matter in which Ascribe Capital LLC ("Ascribe") and Solace Capital Partners, L.P. ("Solace", and together with Ascribe and certain funds or accounts advised or sub-advised by Ascribe or Solace, the "Specified Investors"), any officer, director, partner or employee of any entity comprising the Specified Investors, and any portfolio company in which such entities or persons have an equity interest (other than the Corporation and its subsidiaries) (each, a "Specified Party") participates or desires or seeks to participate in, even if the opportunity is one that the Corporation or its subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so and each such Specified Party shall have no duty to communicate or offer such business opportunity to the Corporation and, to the fullest extent permitted by applicable law, shall not be liable to the Corporation or any of its subsidiaries or any stockholder for breach of any fiduciary or other duty, as a director or officer or controlling stockholder or otherwise, by reason of the fact that such Specified Party pursues or acquires such business opportunity, directs such business opportunity to another person or fails to present such business opportunity, or information regarding such business opportunity, to the Corporation or its subsidiaries. Notwithstanding the foregoing, the Corporation, on behalf of itself and its subsidiaries, does not hereby renounce any interest or expectancy it or its subsidiaries may have in any business opportunity, transaction or other matter that is (1) offered in writing solely to a director or officer of the Corporation or its subsidiaries who is not also a Specified Party, (2) offered to a Specified Party who is a director, officer or employee of the Corporation and who is offered such opportunity solely in his or her capacity as a director, officer or employee of the Corporation, or (3) identified by a Specified Party solely through the disclosure of information by or on behalf of the Company.

Neither the amendment nor repeal of this Article THIRTEENTH, nor the adoption of any provision of this Certificate of Incorporation or the bylaws of the Corporation, nor, to the fullest extent permitted by Delaware law, any modification of law, shall adversely affect any right or protection of any person granted pursuant hereto existing at, or arising out of or related to any event, act or omission that occurred prior to, the time of such amendment, repeal, adoption or modification.

If any provision or provisions of this Article THIRTEENTH shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever: (a) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article THIRTEENTH (including, without limitation, each portion of any paragraph of this Article THIRTEENTH containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) to the fullest extent possible, the provisions of this Article THIRTEENTH (including, without limitation, each such portion of any paragraph of this Article THIRTEENTH containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by law This Article THIRTEENTH shall not limit any protections or defenses available to, or indemnification rights of, any director or officer of the Corporation under this Certificate of Incorporation, the bylaws or applicable law. Any person or entity purchasing or otherwise acquiring any interest in any securities of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article THIRTEENTH.

FOURTEENTH. The Corporation expressly states, and hereby elects, not to be bound or governed by Section 203 of the Delaware General Corporation Law.

FIFTEENTH. The Corporation shall not engage in any Business Combination (as defined below), at any point in time at which the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act with any Interested Stockholder (as defined below) for a period of three (3) years following the time that such stockholder became an Interested Stockholder, *provided*, *however* if the Common Stock is not listed on a national securities exchange as a result of an action taken, directly or indirectly, by such Interested Stockholder or as a result of a transaction in which such person became an Interested Stockholder, the Corporation shall not engage in any Business Combination with such Interested Stockholder for a period of three (3) years following the time that such stockholder became an Interested Stockholder, unless:

(a) prior to such time, the Board approved either the Business Combination or the transaction which resulted in the stockholder becoming an Interested Stockholder, or

(b) upon consummation of the transaction which resulted in the stockholder becoming an Interested Stockholder, the Interested Stockholder owned at least eighty-five percent (85%) of the Voting Stock (as defined below) outstanding at the time the transaction commenced, excluding for purposes of determining the Voting Stock outstanding (but not the outstanding Voting Stock owned by the Interested Stockholder) those shares owned (i) by persons who are directors and also officers of the Corporation and (ii) employee stock plans of the Corporation in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer, or

(c) at or subsequent to such time, the Business Combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the outstanding Voting Stock which is not owned by the Interested Stockholder.

(d) For purposes of this Article FIFTEENTH, references to:

(1) "Affiliate" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

(2) "Associate," when used to indicate a relationship with any person, means: (i) any corporation, partnership, unincorporated association or other entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of twenty percent (20%) or more of any class of Voting Stock; (ii) any trust or other estate in which such person has at least a twenty percent (20%) beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(3) "Beneficial Ownership" means, with respect to any person, ownership of shares of Equity Stock equal to the sum of (i) the number of shares of Common Stock and Preferred Stock (the "Equity Stock") directly or indirectly owned (within the meaning of the U.S. Internal Revenue Code of 1986 (as amended, and, unless context otherwise requires, applicable regulations thereunder, the "Code") by such person and (ii) the number of shares of Equity Stock treated as owned directly or indirectly by such person through the application of the constructive ownership rules of Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code; *provided*, *however*, that for the purposes of calculating the foregoing, no share shall be counted more than once. The terms "Beneficial Owner," "Beneficially Owns," "Beneficially Owned" and "Beneficially Owning" shall have correlative meanings.

(4) "Business Combination," when used in reference to the Corporation and any Interested Stockholder of the Corporation, means:

(i) any merger or consolidation of the Corporation (other than pursuant to Section 251(g), Section 253 or Section 267 of the Delaware General Corporations Law ("DGCL")) or any direct or indirect majority-owned subsidiary of the Corporation (a) with the Interested Stockholder, or (b) with any other corporation, partnership, unincorporated association or other entity if the merger or consolidation is caused by the Interested Stockholder and as a result of such merger or consolidation this Article FIFTEENTH is not applicable to the surviving entity;

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a stockholder of the Corporation, to or with the Interested Stockholder, whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation which assets have an aggregate market value equal to ten percent (10%) or more of either the aggregate market value of all the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation;

(iii) any transaction which results in the issuance or transfer by the Corporation or by any direct or indirect majority-owned subsidiary of the Corporation of any stock of the Corporation or of such subsidiary to the Interested Stockholder, except: (a) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which securities were outstanding prior to the time that the Interested Stockholder became such; (b) pursuant to a merger under Section 251(g) of the DGCL; (c) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of the Corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of the Corporation subsequent to the time the Interested Stockholder became such; (d) pursuant to an exchange offer by the Corporation to purchase stock made on the same terms to all holders of said stock; or (e) any issuance or transfer of stock by the Corporation; *provided, however*, that in no case under items (c)-(e) of this subsection (iii) shall there be an increase in the Interested Stockholder's proportionate share of the stock of any class or series of the Corporation or of the Voting Stock (except as a result of immaterial changes due to fractional share adjustments);

(iv) any transaction involving the Corporation or any direct or indirect majority-owned subsidiary of the Corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the Corporation or of any such subsidiary which is owned by the Interested Stockholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the Interested Stockholder; or

(v) any receipt by the Interested Stockholder of the benefit, directly or indirectly (except proportionately as a stockholder of the Corporation), of any loans, advances, guarantees, pledges, or other financial benefits (other than those expressly permitted in subsections (i)-(iv) above) provided by or through the Corporation or any direct or indirect majority-owned subsidiary.

(5) "Control," including the terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of Voting Stock, by contract, or otherwise. A person who is the owner of twenty percent (20%) or more of the outstanding Voting Stock, partnership, unincorporated association or other entity shall be presumed to have control of such entity, in the absence of proof by a preponderance of the evidence to the contrary. Notwithstanding the foregoing, a presumption of control shall not apply where such person holds Voting Stock, in good faith and not for the purpose of circumventing this Article FIFTEENTH, as an agent, bank, broker, nominee, custodian or trustee for one or more owners who do not individually or as a group have control of such entity.

(6) "Interested Stockholder" means any person (other than the Corporation or any direct or indirect majority-owned subsidiary of the Corporation) that (i) is the owner of fifteen (15%) or more of the outstanding Voting Stock, or (ii) is an Affiliate or Associate of the Corporation and was the owner of fifteen percent (15%) or more of the outstanding Voting Stock at any time within the three (3) year period immediately prior to the date on which it is sought to be determined whether such person is an Interested Stockholder; and the Affiliates and Associates of such person; but "Interested Stockholder" shall not include (a) the Investors, any Investor Direct Transferee, any Investor Indirect Transferee or any of their respective Affiliates or successors or any "group", or any member of any such group, to which such persons are a party under Rule 13d-5 of the Exchange Act or (b) any person whose ownership of shares in excess of the fifteen percent (15%) limitation set forth herein is the result of any action taken solely by the Corporation, *provided* that such person shall be an Interested Stockholder if thereafter such person acquires additional Voting Stock, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an Interested Stockholder, the Voting Stock deemed to be outstanding shall include stock deemed to be owned by the person through application of the definition of "Owner" below but shall not include any other unissued stock of the Corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(7) "Owner," including the terms "own" and "owned," when used with respect to any stock, means a person that individually or with or through any of its Affiliates or Associates:

(i) beneficially owns such stock, directly or indirectly; or

(ii) has (a) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; *provided*, *however*, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person's Affiliates or Associates until such tendered stock is accepted for purchase or exchange; or (b) the right to vote such stock pursuant to any agreement, arrangement or understanding; *provided*, *however*, that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to ten (10) or more persons; or

(iii) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in item (b) of subsection (ii) above), or disposing of such stock with any other person that Beneficially Owns, or whose Affiliates or associates Beneficially Own, directly or indirectly, such stock.

(8) "Investor" means any person that acquires Beneficial Ownership of Voting Stock pursuant to the Corporation's prepackaged joint plan of reorganization in consideration for

such person's claim arising under or relating to that certain Indenture dated as of June 7, 2011 between the Corporation, as issuer, certain guarantors, and Wells Fargo Bank, National Trustee, in its capacity as indenture trustee.

(9) "Investor Direct Transferee" means any person that acquires (other than in a registered public offering) directly from the Investors or any of their Affiliates or successors or any "group", or any member of any such group, of which such persons are a party under Rule 13d-5 of the Exchange Act, Beneficial Ownership of fifteen percent (15%) or more of the then outstanding Voting Stock.

(10) "Investor Indirect Transferee" means any person that acquires (other than in a registered public offering) directly from any Investor Direct Transferee or any other Investor Indirect Transferee Beneficial Ownership of fifteen percent (15%) or more of the then outstanding Voting Stock.

(11) "Voting Stock" means, with respect to any corporation, stock of any class or series entitled to vote generally in the election of directors and, with respect to any entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such entity. Every reference to a percentage of Voting Stock shall refer to such percentage of the votes of or voting power conferred by such Voting Stock.

SEVENTEENTH. The restrictions contained in Articles FOURTEENTH through EIGTHEENTH shall not apply if the Business Combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (i) constitutes one of the transactions described in the second sentence of this Article SEVENTEENTH; (ii) is with or by a person who either was not an Interested Stockholder during the previous three (3) years or who became an Interested Stockholder with the approval of the Board; and (iii) is approved or not opposed by a majority of the directors then in office (but not less than one) who were directors prior to any person becoming an Interested Stockholder during the previous three years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to (x) a merger or consolidation of the Corporation (except for a merger in respect of which, pursuant to Section 251(f) of the DGCL, no vote of the stockholders of the Corporation is required); (y) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the Corporation or of any direct or indirect majority-owned subsidiary of the Corporation (other than to any direct or indirect wholly-owned subsidiary or to the Corporation) having an aggregate market value equal to fifty percent (50%) or more of either the aggregate market value of all of the assets of the Corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the Corporation; or (z) a proposed tender or exchange offer for fifty percent (50%) or more of the outstanding Voting Stock of the Corporation. The Corporation shall give not less than twenty (20) days' notice to all Interested Stockholders prior to the consummation of any of the transactions described in clause (x) or (y) of the second sentence of this Article SEVENTEENTH.

EIGHTEENTH. The restrictions contained in Articles FOURTEENTH through EIGTHEENTH shall not apply if a stockholder becomes an Interested Stockholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the stockholder ceases to be an Interested Stockholder; and (ii) would not, at any time within the three-year period immediately prior to a Business Combination between the Corporation and such stockholder, have been an Interested Stockholder but for the inadvertent acquisition of ownership.

NINETEENTH. Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, all Internal Corporate Claims shall be brought solely and exclusively in the Court of Chancery of the State of Delaware (or, if such court does not have jurisdiction, the Superior Court of the State of Delaware, or, if such other court does not have jurisdiction, the United States District Court for the District of Delaware). "Internal Corporate Claims" means claims, including claims in the right of the Corporation, brought by a stockholder (including a beneficial owner) (i) that are based upon a violation of a duty by a current or former director or officer or stockholder in such capacity or (ii) as to which the Delaware General Corporation Law confers jurisdiction upon the Court of Chancery of the State of Delaware.

TWENTIETH. The effective date and time of this Certificate of Incorporation shall be [__________ ___, 2017], at 12:01 a.m. Eastern Standard Time.

IN WITNESS WHEREOF, the undersigned being a duly authorized officer of the Corporation executed this Certificate of Incorporation on this ___ day of [___________], 2017.

____

L. Melvin Cooper,
Senior Vice President and Chief Financial Officer

SECOND AMENDED AND RESTATED BYLAWS

OF

FORBES ENERGY SERVICES LTD.

A Delaware Corporation

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SECOND AMENDED AND RESTATED BYLAWS

OF

FORBES ENERGY SERVICES LTD.
A Delaware Corporation

PREAMBLE

These Second Amended and Restated Bylaws (these "**Bylaws**") of Forbes Energy Services Ltd. (the "**Corporation**") are subject to, and governed by, the Delaware General Corporation Law, as amended from time to time (the "**DGCL**"), and the Amended and Restated Certificate of Incorporation of the Corporation, as amended from time to time (the "**Certificate**"). In the event of a direct conflict between the provisions of these Bylaws and the mandatory provisions of the DGCL or the provisions of the Certificate, such provisions of the DGCL or the Certificate, as the case may be, will be controlling.

ARTICLE ONE
OFFICES

1.01 Registered Office and Agent. The registered office and registered agent of the Corporation shall be as designated from time to time by the appropriate filing by the Corporation in the office of the Secretary of State of Delaware.

1.02 Other Offices. The Corporation may also have offices at such other places, both within and outside the State of Delaware, as the board of directors of the Corporation (the "**Board**") may from time to time determine or the business of the Corporation may require.

ARTICLE TWO
STOCKHOLDERS

2.01 Annual Meetings. An annual meeting of stockholders of the Corporation shall be held during each calendar year on such date and at such time as shall be designated from time to time by the Board and stated in the notice of the meeting. At such meeting, the stockholders shall elect directors and transact such other business as may properly be brought before the meeting.

2.02 Special Meetings. Special meetings of the stockholders, unless otherwise prescribed by statute, may be called at any time by the Chief Executive Officer, the Chairman of the Board, or the Board. In addition, so long as Ascribe Capital LLC ("**Ascribe**") and Solace Capital Partners, L.P. ("**Solace**", and together with Ascribe and certain funds or accounts advised or sub-advised by Ascribe or Solace, the "**Investors**") collectively own directly or indirectly at least 25% of the issued and outstanding Common Stock (as defined in the Certificate) entitled to vote at such meeting, special meetings of the stockholders, unless otherwise prescribed by statute, shall be called by the Secretary upon the request in writing of a stockholder or stockholders of record holding at least thirty percent (30%) of the voting power of the issued and outstanding Common Stock entitled to vote at such meeting. Only business within the purpose or purposes described in the notice of special meeting may be conducted at such special meeting.

2.03 Notice of Stockholder Business and Nominations to be Brought Before a Meeting of Stockholders.

(a) Nominations of persons for election to the Board, or the proposal of other business to be considered by the stockholders, may be made at an annual meeting of stockholders only if properly brought before the meeting in accordance with this Section 2.03. To be properly brought before an annual meeting of stockholders, any director nominations or other business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) brought before the meeting by or at the direction of the Board pursuant to a resolution duly adopted with respect thereto or (iii) otherwise properly brought before the meeting by a stockholder who (A) was a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner was the beneficial owner of the shares of the Corporation) both at the time of giving the notice provided for in this Section 2.03 and at the time of the annual meeting, (B) is entitled to vote at the annual meeting and (C) has complied with this Section 2.03 as to such business. Except for proposals properly made in accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), and included in the notice of meeting given by or at the direction of the Board, the foregoing clause (iii) shall be the exclusive means for a stockholder to make nominations or propose other business to be brought before an annual meeting of stockholders.

(b) To properly bring business, including nominations of directors, before an annual meeting of stockholders, a stockholder must provide (i) Timely Notice (as defined below) thereof in writing and in proper form to the Secretary of the Corporation and (ii) any updates or supplements to such notice at the times and in the forms required by this Section 2.03. To be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than 90 nor more than 150 days before the one-year anniversary of the preceding year's annual meeting of stockholders; provided, however, that if the date of the annual meeting of stockholders is more than 30 days before or after such anniversary date, notice by the stockholder, to be timely, must be so delivered, or mailed and received, not less than 90 nor more than 150 days before such annual meeting or on or before the tenth day following the day on which public announcement of the date of such meeting was first made. Any notice of nominations or other business within the time periods described above is a "**Timely Notice**" for purposes of such nomination or other business. The adjournment or postponement of an annual meeting of stockholders, or the announcement thereof, shall not commence a new period for the giving of Timely Notice as described above.

(c) At a special meeting of stockholders, only such business will be conducted or considered as is properly brought before the meeting. To be properly brought before a special meeting of stockholders, business (other than procedural matters) must be specified in the notice of the meeting (or any supplement thereto) given in accordance with Section 2.05. Nominations of persons for elections to the

Board may not be made at a special meeting of stockholders unless directors are to be elected pursuant to the Corporation's notice of meeting. In such case, any stockholder who (i) was a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner was the beneficial owner of the shares of the Corporation) both at the time of giving the notice provided for in this Section 2.03 and at the time of the special meeting, (ii) is entitled to vote at the meeting and (iii) has complied with this Section 2.03 as to such nomination may nominate a person or persons, as the case may be, for election to such position(s) as specified in the Corporation's notice of meeting.

(d) If the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board, any stockholder meeting the criteria in Section 2.03(c) above may nominate a person or persons, as the case may be, for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice with respect to any nomination is delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not less than 90 nor more than 150 days before the close of business on the day before the special meeting or on or before the tenth day following the day on which public announcement of the date of such meeting was first made. The adjournment or postponement of a special meeting of stockholders, or the announcement thereof, shall not commence a new period for the giving of Timely Notice as described above.

(e) To be in proper form for purposes of this Section 2.03, a stockholder's notice to the Secretary of the Corporation must

(1) set forth, as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (i) the name and address of the stockholder, as they appear in the records of the Corporation, and the name and address of such beneficial owner, (ii) the class and number of shares of the Corporation which are held of record by such stockholder as of the date of the notice and a representation that the stockholder will notify the Corporation in writing within five (5) business days after the record date for such meeting of the class and number of shares of the Corporation held of record on such record date, (iii) the class and number of shares of the Corporation which are held of record or are beneficially owned (within the meaning of Section 13(d) of the Exchange Act) by such beneficial owner as of the date of the notice and a representation that the stockholder will notify the Corporation within five (5) business days after the record date for such meeting of the class and number of shares of the Corporation beneficially owned by such stockholder and such beneficial owner on such record date, (iv) any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and (v) such stockholder's and beneficial owner's written consent to the public

disclosure of information provided to the Corporation pursuant to this Section 2.03 shall set forth the name of the nominee(s), the address and the principal occupation or employment of each;

(2) set forth, as to the stockholder giving the notice or, if given on behalf of a beneficial owner, as to the beneficial owner on whose behalf the nomination or proposal is made, (i) any agreements, arrangements or understandings entered into by the stockholder or beneficial owner, as appropriate, and its affiliates with respect to equity securities of the Corporation, including any put or call arrangements, derivative securities, short positions, borrowed shares or swap or similar arrangements, specifying in each case the effect of such agreements, arrangements or understandings on any voting or economic rights of equity securities of the Corporation, in each case as of the date of the notice and in each case describing any changes in voting or economic rights which may arise pursuant to the terms of such agreements, arrangements or understandings, (ii) to the extent not covered in clause (i) above, any disclosures that would be required pursuant to Item 5 or Item 6 of Schedule 13D as in existence on the date of the adoption of these Bylaws or any similar successor provision (regardless of whether the requirement to file a Schedule 13D is applicable to the stockholder or beneficial owner) and (iii) a representation that the stockholder will notify the Corporation in writing within five (5) business days after the record date for such meeting of the information set forth in clauses (i) and (ii) above as of such record date;

(3) if the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the meeting, set forth (i) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such stockholder and the beneficial owner, if any, in such business and (ii) a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder;

(4) set forth, as to each person, if any, whom the stockholder proposes to nominate for election or reelection to the Board (i) all information relating to such person that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected) and (ii) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith, on the

other hand, including without limitation all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K as in existence on the date of the adoption of these Bylaws or any similar successor provision if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant;

(5) set forth a representation that such stockholder intends to appear at the meeting to bring such nomination or other business before such meeting;

(6) set forth such other information as may reasonably be required by the Board as described in the Corporation's proxy statement for the preceding year's annual meeting; and

(7) be followed, within five (5) business days after the record date for such meeting, by the written notice providing the information described in clauses (1) and (2) above.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

(f) Only such persons who are nominated in accordance with the procedures set forth in this Section 2.03 shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 2.03. Except as provided by law, the Certificate or these Bylaws, the determination of whether any business sought to be brought before any annual meeting of stockholders or special meeting of stockholders is properly brought before such meeting in accordance with this Section 2.03 will be made by the presiding officer of such meeting. If the presiding officer determines that any business is not properly brought before such meeting, such presiding officer will so declare to the meeting and any such business will not be conducted or considered.

(g) This Section 2.03 is expressly intended to apply to any business proposed to be brought before an annual meeting of stockholders other than any stockholder proposal made pursuant to Rule 14a-8 under the Exchange Act. Notwithstanding the foregoing provisions of this Section 2.03, a stockholder must also comply with all applicable requirements of the Exchange Act with respect to the matters set forth in this Section 2.03. Nothing in this Section 2.03 will be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(h) For purposes of this Section 2.03, the term "**public announcement**" means disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or l5(d) of the Exchange Act.

2.04 Place of Meetings. The annual meeting of stockholders may be held at any place within or outside the State of Delaware designated by the Board. Special meetings of stockholders may be held at any place within or outside the State of Delaware designated by the person or persons calling such special meeting as provided in Section 2.01 above. Meetings of stockholders shall be held at the principal office of the Corporation unless another place is designated for meetings in the manner provided herein. The Board may determine that a meeting may be held solely by means of remote communication in accordance with Delaware law.

2.05 Notice.

(a) Except as otherwise provided by law, written or printed notice stating the place, the date, the hour, the means of remote communication (if any), and the record date for determining the stockholders entitled to vote at the meeting, of each meeting of the stockholders and the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than 60 days before the date of the meeting, either personally, by electronic transmission or by mail, by or at the direction of the Chief Executive Officer, the Secretary, or the person or persons calling the meeting, to each stockholder of record entitled to vote at such meeting. If two or more persons are registered as joint holders of any shares, notice to any one of them shall be sufficient to constitute notice to all the holders of such shares.

(b) At least twenty (20) days' notice of an annual or special meeting at which (i) a merger, (ii) a conversion, (iii) a consolidation in which the Corporation is a constituent corporation, or (iv) the sale of all or substantially all of the assets of the corporation (each, a "**Fundamental Business Transaction**") is being submitted to the stockholders for approval as required by the DGCL shall be given to each stockholder of the Corporation, regardless of whether the stockholder is entitled to vote on the matter. The notice shall provide the information required in Section 2.05(a) and shall also state that the purpose, or one of the purposes, of the meeting is to consider the Fundamental Business Transaction. If the Fundamental Business Transaction is a merger or conversion, the notice shall contain or be accompanied by a copy or summary of the plan of merger or conversion, as appropriate, and shall describe any right of dissent and appraisal provided by the DGCL.

2.06 Voting List. Not later than the eleventh day before the date of each meeting of the stockholders, the Secretary of the Corporation or the transfer agent shall prepare or cause to be prepared an alphabetical list of the stockholders entitled to vote at the meeting or at any adjournment of the meeting. The list shall state (a) the address of each stockholder, (b) the class of shares held by each stockholder, (c) the number of shares held by each stockholder and (d) the number of votes that each stockholder is entitled to if such number is different from the number of shares held by such stockholder. The Corporation shall not be required to include any electronic contact information of any stockholder on the list. The list shall be kept on file at the registered office or principal executive office of the Corporation and shall be subject to inspection by any stockholder during usual business hours for at least ten (10) days before the date of the meeting. Alternatively, the list of stockholders may be kept on a reasonably accessible electronic network if the information required to gain access to the list is provided with notice of the meeting. The Corporation shall take reasonable measures to ensure that any list available on an electronic network is available only to stockholders of the Corporation. The list shall be produced at the meeting, and at all times during such meeting shall be subject to inspection by any stockholder. The stock ledger shall be the only evidence as to who are the stockholders entitled to examine such list. Failure to comply with the requirements of this Section 2.06 shall not affect the validity of any action taken at such meeting.

2.07 Voting of Shares. Treasury shares, shares of the Corporation's own stock owned by another corporation the majority of the voting stock of which is owned or controlled by the Corporation, and shares of the Corporation's own stock held by the Corporation in a fiduciary capacity shall not be shares entitled to vote or to be counted in determining the total number of outstanding shares. Shares standing in the name of another domestic or foreign corporation of any type or kind (other than as described in the prior sentence) may be voted by such officer, agent, or proxy as the bylaws of such corporation may authorize or, in the absence of such authorization, as the board of directors of such corporation may determine. Shares held by an administrator, executor, guardian, or conservator may be voted by him, either in person or by proxy, without transfer of such shares into his name so long as such shares form a part of the estate served by him and are in the possession of such estate. Shares held by a trustee may be voted by him, either in person or by proxy, only after the shares have been transferred into his name as trustee. Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without transfer of such shares into his name if authority to do so is contained in the court order by which such receiver was appointed. A stockholder whose shares are pledged shall be entitled to vote such shares until they have been transferred into the name of the pledgee, and thereafter, the pledgee shall be entitled to vote such shares.

2.08 Inspector. In advance of any meeting of stockholders, the Board by resolution or the Chairman or Chief Executive Officer shall appoint one or more inspectors to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is present, ready and willing to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Every vote taken by ballots shall be counted by a duly appointed inspector or inspectors.

2.09 Quorum. The holders of a majority of the outstanding shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders, except as otherwise provided by law, the Certificate, or these Bylaws. If a quorum shall not be present or represented at any meeting of stockholders, a majority of the stockholders entitled to vote at the meeting, who are present in person or represented by proxy, may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At any reconvening of an adjourned meeting at which a quorum shall be present or represented by proxy, any business may be transacted which could have been transacted at the original meeting, if a quorum had been present or represented.

2.10 Majority Vote; Withdrawal of Quorum. If a quorum is present in person or represented by proxy at any meeting, any question proposed for the consideration of the stockholders shall be decided by the affirmative votes of a majority of the votes cast, unless the question is one on which, by express provision of law, the Certificate, or these Bylaws, a different vote is required, in which event such express provision shall govern and control the decision of such question. The stockholders present at a duly convened meeting may continue to transact business until adjournment, notwithstanding any withdrawal of stockholders which may leave less than a quorum remaining.

2.11 Method of Voting; Proxies. Unless otherwise specified in any outstanding series of preferred stock, every stockholder of record shall be entitled at every meeting of stockholders to one vote on each matter submitted to a vote, for every share standing in his name on the original stock transfer books of the Corporation except to the extent that the voting rights of the shares of any class or classes are limited or denied by the Certificate. Such stock ledger shall be the only evidence as to the identity of stockholders entitled to vote. At any meeting of stockholders, every stockholder having the right to vote may vote either in person or by a proxy executed in writing by the stockholder or by his duly authorized attorney-in-fact. A telegram, telex, cablegram or other form of electronic transmission, including telephone text transmission, by the stockholder, or an email, photographic, photostatic, facsimile or similar reproduction of a writing executed by the stockholder shall be treated as an execution in writing for purposes of this Section 2.11. Any electronic transmission must contain or be accompanied by information from which it can be determined that the transmission was authorized by the stockholder. Each such proxy shall be filed with the Secretary of the Corporation as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Corporation in relation to the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. If no date is stated on a proxy, such proxy shall be presumed to have been executed on the date of the meeting at which it is to be voted. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

2.12 Record Date. The Board may fix in advance a date as the record date for any determination of stockholders, such date in any case to be not more than sixty (60) days and not less than ten (10) days prior to the date on which the particular action requiring such determination of stockholders is to be taken. If no record date is fixed for the determination of stockholders entitled to notice of, or to vote at, a meeting of stockholders, the record date for determining stockholders entitled to notice of and to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. If no record date is fixed for the determination of stockholders entitled to receive a distribution (other than a distribution involving a purchase or redemption by the Corporation of any of its own shares) or a share dividend, the date on which the resolution of the Board declaring such distribution or share dividend is adopted shall be the record date for such determination of stockholders.

2.13 Officers' Duties at Meetings. The Chairman of the Board or, in his absence, any other party designated by the Board in advance of the meeting of stockholders shall preside at the meeting of stockholders and shall automatically be the Chairman of such meeting. The Secretary shall prepare minutes of each meeting of stockholders. In the absence of any such officer, such officer's duties shall be performed by some person or persons elected by the vote of the holders of a majority of the outstanding shares entitled to vote, present in person or represented by proxy. Annual and special meetings of stockholders generally shall follow accepted rules of practice and procedure for the orderly conduct of stockholder meetings.

ARTICLE THREE
DIRECTORS

3.01 General Powers. The business, property and affairs of the Corporation shall be managed by or be under the direction of the Board, and subject to the restrictions imposed by law, the Certificate, or these Bylaws, the Board may exercise all the powers of the Corporation.

3.02 Number. The number of directors which shall constitute the Board shall be as provided in the Certificate of Incorporation.

3.03 Election; Term; Qualification. Where the number of persons validly proposed for election or re-election as a director is greater than the number of directors to be elected, the persons receiving the most votes (up to the number of directors to be elected) shall be elected as directors, and an absolute majority of the votes cast shall not be necessary. At each annual meeting of stockholders, directors of the applicable class whose term is then expiring shall be elected to hold office until the third following annual meeting of stockholders and until their successors are duly qualified and elected or appointed or their office is otherwise vacated. No director need be a stockholder, a resident of the State of Delaware, or a citizen of the United States.

3.04 Changes in Number. No decrease in the number of directors constituting the entire Board shall have the effect of shortening the term of any incumbent director. Notwithstanding the foregoing, whenever the holders of any class or series of shares are entitled to elect one or more directors by the provisions of the Certificate, any newly created directorship(s) of such class or series to be filled by reason of an increase in the number of such directors may be filled by the affirmative vote of a majority of the directors elected by such class or series then in office or by a sole remaining director so elected or by the vote of the holders of the outstanding shares of such class or series, and such directorship(s) shall not in any case be filled by the vote of the remaining directors or by the holders of the outstanding shares of the Corporation as a whole unless otherwise provided in the Certificate.

3.05 Removal. At any meeting of stockholders called expressly for that purpose, any director may be removed for cause by an affirmative vote by stockholders of a majority of the shares then entitled to vote on the election of directors; provided however that notice of any such meeting convened for the purpose of removing a director shall contain a statement of the intention to remove the director and a summary of the basis for the proposed removal and be served on such director not less than thirty (30) days before such meeting and at such meeting the director shall be entitled to be heard on the motion for such director's removal.

3.06 Vacancies. Any vacancy occurring in the Board may be filled by the affirmative vote of a majority of the remaining directors though less than a quorum of the Board. A director elected to fill a vacancy shall serve for a term expiring at the annual meeting of stockholders at which the term of office of the class to which the director has been chosen expires, with each director to hold office until his or her successor shall have been duly elected and qualified. A vacancy shall be deemed to exist by reason of the death, resignation, removal in accordance with the provisions of these Bylaws, or upon an increase in the number of directors by amendment of these Bylaws.

3.07 Place of Meetings. The Board may hold its meetings and may have an office and keep the books of the Corporation, except as otherwise provided by law, in such place or places within or outside the State of Delaware as the Board may from time to time determine.

3.08 Regular Meetings. The Board shall hold regular meetings at the time and place as the Board may fix or as may be specified in a notice of meeting. Notice of regular meetings of the Board needs to be given to all members of the Board.

3.09 Special Meetings; Notice. Special meetings of the Board shall be held whenever called by the Chairman of the Board or any two (2) of the directors. The person or persons calling any special meeting shall cause notice of such special meeting, including therein the time and place of such special meeting, to be given to each director at least two (2) days before such special meeting. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board need be specified in the notice or waiver of notice of any special meeting.

3.10 Quorum; Majority Vote. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business. If a quorum is not present at a meeting, the Chairman or a majority of the directors present may adjourn the meeting from time to time, without notice other than an announcement at the meeting, until a quorum is present. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law, the Certificate, or these Bylaws.

3.11 Procedure; Minutes. At meetings of the Board, business shall be transacted in such order as the Board may determine from time to time. The Chairman of the Board shall preside at the meetings. In his absence at any meeting, any officer authorized by these Bylaws or any member of the Board selected by the members present shall preside. The Secretary or, in his absence, the Assistant Secretary of the Corporation shall act as secretary at all meetings of the Board. In their absence, the presiding officer of the meeting may designate any person to act as secretary. The Secretary of the meeting shall prepare minutes of the meeting which shall be delivered to the Secretary of the Corporation for placement in the minute books of the Corporation.

3.12 Action by Directors Without Meeting.

(a) Written Consents. Any action which may be taken, or is required by law, the Certificate, or these Bylaws to be taken, at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors, as the case may be, entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect, as of the date stated therein, as a unanimous vote of such directors, as the case may be, and may be stated as such in any document filed with the Secretary of State of Delaware or in any certificate or other document delivered to any person. The consent may be in one or more counterparts so long as each director signs one of the counterparts. Any photographic, photostatic, facsimile or similarly reliable reproduction of a consent in writing signed by a director may be substituted or used instead of the original writing. The signed consent shall be placed in the minute books of the Corporation.

(b) Electronic Consents. A telegram, telex, cablegram, electronic mail or other electronic transmission by a director consenting to an action to be taken is considered to be written, signed, and dated for the purposes of these Bylaws if the transmission sets forth or is delivered with information from which the Corporation can determine that the transmission was transmitted by the director, and the date on which the director transmitted the transmission. The date of transmission shall be deemed to be the date on which the consent was signed.

3.13 Compensation. Directors, in their capacity as directors, may receive, by resolution of the Board, a fixed sum and expenses of attendance, if any, for attending meetings of the Board, any committee meeting, or any other meeting in connection with the business of the Corporation or their duties as directors. Directors may also receive an annual retainer. Such compensation may include stock options, restricted stock, restricted stock units and other equity based awards. No member of the Board that is also an employee of the Corporation shall receive compensation for service as a member of the Board.

3.14 Defect in Appointment. All acts done in good faith by the Board, any director, a member of a committee appointed by the Board, any person to whom the Board may have delegated any of its powers shall, or any person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of such director or person acting as aforesaid, or that he was, or any of them were, disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director or act in the relevant capacity.

3.15 Validity of Prior Acts of the Board. No amendment to these Bylaws adopted after the date of adoption of these Second Amended and Restated Bylaws shall invalidate any prior act of the Board which would have been valid if such amendment had not been adopted.

ARTICLE FOUR
COMMITTEES

4.01 Committees of the Board of Directors. The Board may from time to time designate committees of the Board, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board and shall, for those committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternative members who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any member of any committee and any alternative member in his or her place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may by unanimous vote appoint another member of the Board to act at the meeting in place of the absent or disqualified member.

4.02 Number; Qualification; Term. Each committee shall consist of such number of directors as the Board may determine or as may be required by applicable law or the listing requirements of the NASDAQ Stock Market or the NASDAQ Capital Market, as applicable, or any other exchange on which the Corporation's shares are traded. The number of committee members may be increased or decreased from time to time by the Board. Each committee member shall serve as such until the earliest of (a) his successor is duly elected and qualified, (b) his resignation as a committee member or as a director or (c) his removal, as a committee member or as a director.

4.03 Conduct of Business. Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members of all meetings; one-half of the members shall constitute a quorum unless the committee shall consist of one member, in which event one member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of such committee.

ARTICLE FIVE
GENERAL PROVISIONS RELATING TO MEETINGS

5.01 Manner of Giving Notice. Whenever by law, the Certificate, or these Bylaws, notice is required to be given to any stockholder, director or committee member, such notice may be given by any method permitted by law, including electronic transmission so long as any requisite consent of the recipient has been obtained. A stockholder or director may specify the form of electronic transmission to be used to communicate notice and may revoke this consent by written notice to the Corporation. The consent is deemed to be revoked if the Corporation is unable to deliver by electronic transmission two consecutive notices, and the person responsible for delivering notice on behalf of the Corporation knows that delivery of these two electronic transmissions was unsuccessful. Any notice required or permitted to be given by mail shall be deemed to be delivered and given at the time when the same is deposited in the United States mail, postage prepaid, and addressed as aforesaid. Any notice required or permitted to be given by electronic transmission, including telephone text transmission, is deemed given when the notice is (i) transmitted to a facsimile or telephone text number provided by the stockholder, director or committee member for the purpose of receiving notice; or (ii) transmitted to an electronic mail address provided by the stockholder, director or committee member for the purpose of receiving notice.

5.02 Waiver of Notice. Whenever by law, the Certificate, or these Bylaws, any notice is required to be given to any stockholder, director or committee member of the Corporation, a waiver thereof in writing signed by the person or persons entitled to such notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time notice should have been given, shall be equivalent to the giving of such notice. Attendance of a stockholder, director or committee member at a meeting shall constitute a waiver of notice of such meeting, except where such person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. The business to be transacted at or the purpose of a regular or special meeting of stockholders, directors or committee members is not required to be specified in a written waiver of notice or a waiver by electronic transmission.

5.03 Telephone or Remote Communication Meetings. Directors or committee members may participate in and hold a meeting by means of a conference telephone or other means of remote communication equipment by means of which persons participating in the meeting can hear each other. Participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE SIX
OFFICERS AND OTHER AGENTS

6.01 Number; Titles; Election; Term; Qualification. The Board may elect or appoint officers of the Corporation as it deems appropriate, which officers shall be a Chief Executive Officer and President, a Secretary, one or more Vice Presidents (and, in the case of each Vice President, with such descriptive title, if any, as the Board shall determine, including to the extent so designated, any Executive Vice President or Senior Vice President). The Corporation may also have a Chairman of the Board, a Treasurer, one or more Assistant Treasurers, one or more Assistant Secretaries, and such other officers and such agents as the Board may from time to time elect or appoint. Each officer and agent shall hold office for the term for which he is elected or appointed and until his successor has been elected or appointed and qualified or his earlier resignation or termination. Any person may hold any number of offices. No officer or agent need be a stockholder, a director, a resident of the State of Delaware or a citizen of the United States.

6.02 Removal. Any officer or agent elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby; but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

6.03 Vacancies. Any vacancy occurring in any office of the Corporation for any cause may be filled by appointment of the Chief Executive Officer, subject to ratification by the Board.

6.04 Authority. Officers shall have such authority and perform such duties in the management of the Corporation as are provided in these Bylaws or as may be determined by resolution of the Board not inconsistent with these Bylaws.

6.05 Compensation. The salaries or other compensation of the officers shall be fixed from time to time by the Board or the compensation committee appointed by the Board, consistent with any legal or stock exchange requirements.

6.06 Bonds of Officers. The Board may secure the fidelity of any officer of the Corporation by bond or otherwise, on such terms and with such surety or sureties, conditions, penalties or securities as shall be deemed proper by the Board.

6.07 Delegation. The Board may delegate temporarily the powers and duties of any officer of the Corporation, in case of his absence or for any other reason, to any other officer.

6.08 Chairman of the Board. The Chairman of the Board shall have such powers and duties as may be prescribed by the Board and these Bylaws. In the absence of the Chairman of the Board, or if the directors neglect or fail to elect a Chairman of the Board, then the Chief Executive Officer, if he is a member of the Board, shall automatically serve as the Chairman of the Board.

6.09 Chief Executive Officer and President. Unless and to the extent that such powers and duties are expressly delegated by the Board to a Chairman of the Board the President shall be the Chief Executive Officer of the Corporation and, subject to the supervision of the Board, shall have general management and control of the business and property of the Corporation in the ordinary course of its business with all such powers with respect to such general management and control as may be reasonably incident to such responsibilities, including, but not limited to, the power to employ, discharge, or suspend employees and agents of the Corporation, to fix the compensation of employees (other than officers) and agents, and to suspend, with or without cause, any officer of the Corporation pending final action by the Board with respect to continued suspension, removal, or reinstatement of such officer. The President may, without limitation, agree upon and execute orders, bonds, contracts, agreements and other obligations in the name of the Corporation.

6.10 Vice Presidents. Each Vice President shall have such powers and duties as may be prescribed by the Board or as may be delegated from time to time by the Chairman of the Board or the Chief Executive Officer and (in the order as designated by the Board, or in the absence of such designation, the most senior Executive Vice President, and in the absence of any Executive Vice President, the most senior Senior Vice President) shall exercise the powers of the Chief Executive Officer during that officer's absence or inability to act. As between the Corporation and third parties, any action taken by a Vice President in the performance of the duties of the Chief Executive Officer shall be conclusive evidence of the absence or inability to act of the Chief Executive Officer at the time such action was taken. A Vice President may sign, with the Secretary of the Corporation or an Assistant Secretary of the Corporation, certificates of stock of the Corporation.

6.11 Secretary. The Secretary shall keep the minutes of all meetings of the stockholders, of the Board, and all committees of the Board, in one or more books provided for such purpose and shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law. The Secretary shall be custodian of the corporate records and of the seal, if any, of the Corporation and see, if the Corporation has a seal, that, when required, the seal of the Corporation is affixed to all documents the execution of which on behalf of the Corporation has been duly authorized. The Secretary or the Corporation's transfer agent and registrar shall have general charge of the stock certificate books, transfer books and stock ledgers, and such other books and papers of the Corporation as the Board may direct, all of which shall, at all reasonable times, be open to the examination of any director, upon application at the office of the Corporation during business hours. The Secretary in general is authorized to perform such other duties and powers as the Board, the Chairman of the Board or the Chief Executive Officer from time to time may assign to or confer on him.

6.12 Treasurer. The Treasurer, if any, and in the absence of a Treasurer, the chief financial officer of the Corporation, shall keep complete and accurate records of account, showing at all times the financial condition of the Corporation. He shall be the legal custodian of all money, notes, securities and other valuables which may from time to time come into the possession of the Corporation. He shall furnish at meetings of the Board, or whenever requested, a statement of the financial condition of the Corporation, and is authorized to perform such other duties as these Bylaws may require or the Board, the Chairman of the Board or the Chief Executive Officer may assign.

6.13 Assistant Officers. Any Assistant Secretary or Assistant Treasurer appointed by the Board shall have power to perform, and shall perform, all duties incumbent upon the Secretary or Treasurer of the Corporation, respectively, subject to the general direction of such respective officers, and shall perform such other duties as these Bylaws may require or the Board, the Chairman of the Board or the Chief Executive Officer may prescribe.

ARTICLE SEVEN
INDEMNIFICATION AND EXCULPATION

7.01 Indemnification. The Corporation shall indemnify against all expense, liability, and loss (including attorneys' fees, judgments, fines, ERISA excise taxes, or penalties and amounts paid in settlement) reasonably incurred or suffered to the fullest extent then permitted by law, any person who was, is or is threatened to be made a respondent in a proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director or officer of the Corporation or was serving at the request of the Corporation as a director, officer, or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, if it is determined in accordance with Section 145 of the DGCL (each, an "**indemnitee**" and together, the "**indemnitees**") that (a) such indemnitee (i) acted in good faith, (ii) reasonably believed (1) in the case of conduct in the indemnitee's official capacity, that the indemnitee's conduct was in the Corporation's best interests and (2) in any other case, that the indemnitee's conduct was not opposed to the Corporation's best interests and (iii) in the case of a criminal proceeding, did not have a reasonable cause to believe the indemnitee's conduct was unlawful; (b) with respect to expenses, the amount of expenses is reasonable; and (c) indemnification should be paid.

7.02 Insurance. The Corporation may purchase and maintain insurance for the benefit of any indemnitee against any liability incurred by him under the DGCL in his capacity as a governing person or delegate or indemnifying such governing person or delegate in respect of any loss arising or liability attaching to him by virtue of any rule of law in respect of any negligence, default, breach of duty or breach of trust of which the governing person or delegate may be guilty in relation to the Corporation or any subsidiary thereof.

7.03 Advancement of Expenses. Expenses incurred by a governing person or delegate of the Corporation in defending a proceeding shall be paid by the Corporation in advance of the final disposition of such proceeding to the fullest extent permitted by, and only in compliance with, the DGCL or any other applicable laws as may from time to time be in effect, including, without limitation, any provision of the DGCL that requires, as a condition precedent to such expense advancement, the delivery to the Corporation of an undertaking, by or on behalf of such governing person or delegate, to repay all amounts so advanced if it shall ultimately be determined that such governing person or delegate is not entitled to be indemnified under Section 7.01 or otherwise. Repayments of all amounts so advanced shall be upon such terms and conditions, if any, as the Board deems appropriate. Notwithstanding the foregoing, in no event shall a governing person or delegate be entitled to the advancement of expenses if a determination has been made by a judicial authority or governmental entity or agency or, absent such determination, any such authority, entity or agency has taken a position or issued any guidance stating, that the advancement of expenses to a governing person or delegate constitutes a personal loan in contravention of any law or regulation.

7.04 Vesting. The Corporation's obligation to indemnify and to prepay expenses under Sections 7.01 and 7.03 shall arise, and all rights granted to the Corporation's governing persons or delegates hereunder shall vest, at the time of the occurrence of the transaction or event to which a proceeding relates, or at the time that the action or conduct to which such proceeding relates was first taken or engaged in (or omitted to be taken or engaged in), regardless of when such proceeding is first threatened, commenced or completed (and whether arising out of a transaction or event occurring before or after adoption of this Article Seven). Notwithstanding any other provision of these Bylaws, no action taken by the Corporation subsequent to the adoption of this Article Seven, either by amendment of these Bylaws or otherwise, shall diminish or adversely affect any rights to indemnification or prepayment of expenses granted under Sections 7.01 and 7.03 which shall have become vested as aforesaid prior to the date that such amendment or other corporate action is effective or taken, whichever is later.

7.05 Enforcement. If a claim under Section 7.01 is not paid in full by the Corporation within 30 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit in a court of competent jurisdiction against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall also be entitled to be paid the expense of prosecuting such claim. It shall be a defense to any such suit (other than a suit brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition when the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the DGCL or other applicable law to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. The failure of the Corporation (including its Board, independent legal counsel or stockholders) to have made a determination prior to the commencement of such suit as to whether indemnification is proper in the circumstances based upon the applicable standard of conduct set forth in the DGCL or other applicable law shall neither be a defense to the action nor create a presumption that the claimant has not met the applicable standard of conduct. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal proceeding, had reasonable cause to believe that his conduct was unlawful.

7.06 Nonexclusive. The indemnification provided by this Article Seven shall not be deemed exclusive of any other rights to which a person seeking indemnification may be entitled under any statute, the Certificate, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

7.07 Permissive Indemnification. The Corporation may confer rights to indemnification and prepayment of expenses which are conferred on indemnitees by Sections 7.01 and 7.03 upon any employee or agent of the Corporation or other person serving at the request of the Corporation if, and to the extent, authorized by the Board.

7.08 Definitions. The term "proceeding" shall include any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative or investigative.

ARTICLE EIGHT
CERTIFICATES AND SHARES

8.01 Certificated Shares. The shares of the Corporation will be represented by certificates.

8.02 Stock Certificates. The certificates representing shares of stock of the Corporation shall be in such form as shall be in conformity with law and otherwise approved by the Board.

8.03 Issuance. The Board may issue shares for such consideration and to such persons as the Board may from time to time determine, except that, in the case of shares with par value, the consideration must be equal to or greater than the par value of such shares. Shares may not be issued until the full amount of the consideration has been paid.

8.04 Consideration for Shares. Consideration for shares may consist of cash, any tangible or intangible property or benefit to the Corporation, including promissory notes, services performed or a contract for services to be performed, or securities of the Corporation or any other organization. In the absence of fraud in the transaction, the judgment of the Board as to the value of consideration received shall be conclusive. When consideration, fixed as provided by law, has been paid, the shares shall be deemed to have been issued and shall be considered fully paid and nonassessable.

8.05 Fractional Shares. Only whole shares of the stock of the Corporation shall be issued. In case of any transaction by reason of which a fractional share might otherwise be issued, the directors, or the officers in the exercise of powers delegated by the directors shall take such measures consistent with the law, the Certificate and these Bylaws including (for example, and not by way of limitation) the payment in cash of an amount equal to the fair value of any fractional share, as they may deem proper to avoid the issuance of any fractional share.

8.06 Lost, Stolen, or Destroyed Certificates. The Corporation shall issue a new certificate or certificates in place of any certificate representing shares previously issued if the registered owner of the certificate:

(a) Claim. Makes proof by affidavit, in form and substance satisfactory to the Board, that a previously issued certificate representing shares has been lost, destroyed, or stolen;

(b) Timely Request. Requests the issuance of a new certificate before the Corporation has notice that the certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;

(c) Bond. Delivers to the Corporation a bond in such form, with such surety or sureties, and with such fixed or open penalty, as the Board may direct, in its discretion, to indemnify the Corporation (and its transfer agent and registrar, if any) against any claim that may be made on account of the alleged loss, destruction, or theft of the certificate; and

(d) Other Requirements. Satisfies any other reasonable requirements imposed by the Board.

When a certificate has been lost, apparently destroyed or wrongfully taken, and the holder of record fails to notify the Corporation within a reasonable time after he or she has notice of it, and the Corporation registers a transfer of the shares represented by the certificate before receiving such notification, the holder of record is precluded from making any claim against the Corporation for the transfer or for a new certificate.

8.07 Transfer of Shares. Shares of stock of the Corporation shall be transferable only on the books of the Corporation by the stockholders thereof in person or by their duly authorized attorneys or legal representatives. Upon surrender to the Corporation or the transfer agent of the Corporation for transfer of a certificate representing shares duly endorsed and accompanied by any reasonable assurances that such endorsements are genuine and effective as the Corporation may require and after compliance with any applicable law relating to the collection of taxes, the Corporation or its transfer agent shall, if it has no notice of an adverse claim or if it has discharged any duty with respect to any adverse claim, issue one or more new certificates to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

8.08 Registered Stockholders. The Corporation shall be entitled to treat the stockholder of record as the stockholder in fact of any shares and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not it shall have actual or other notice thereof, except as otherwise provided by law or stock exchange requirement.

8.09 Legends. The Board shall cause an appropriate legend to be placed on certificates representing shares of stock as may be deemed necessary or desirable by the Board in order for the Corporation to comply with applicable federal or state securities or other laws.

8.10 Regulations. The Board shall have the power and authority to make all such rules and regulations as it may deem expedient concerning the issue, transfer, registration or replacement of certificates representing shares of stock of the Corporation.

ARTICLE NINE
MISCELLANEOUS PROVISIONS

9.01 Dividends. Subject to provisions of applicable law and the Certificate, dividends may be declared by and at the discretion of the Board at any meeting and may be paid in cash, in property, or in shares of stock of the Corporation. No unpaid dividend shall bear interest as against the Corporation.

9.02 Books and Records. The Corporation shall keep correct and complete books and records of account, shall keep minutes of the proceedings of its stockholders, Board, and any committee of the Board. The Corporation shall keep at its registered office or principal place of business, or at the office of its transfer agent or registrar, a record of:

(a) the names and addresses of all stockholders of the Corporation; and

(b) the number and class or series of shares issued by the Corporation held by each stockholder.

9.03 Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board; provided, that if such fiscal year is not fixed by the Board and the Board does not defer its determination of the fiscal year, the fiscal year shall be the calendar year.

9.04 Appointment of Auditor. The audit committee of the Board shall recommend and appoint the independent auditor to audit the Corporation's financial statements, subject to ratification by the stockholders. For purposes of this Section 9.04, independence shall be established in accordance with Rule 10A-2 promulgated under the Exchange Act and any requirements established by any exchange or other similar organization listing any securities of the Corporation.

9.05 Seal. The seal, if any, of the Corporation shall be in such form as may be approved from time to time by the Board. If the Board approves a seal, the affixation of such seal shall not be required to create a valid and binding obligation against the Corporation.

9.06 Attestation by the Secretary. With respect to any deed, deed of trust, mortgage or other instrument executed by the Corporation through its duly authorized officer or officers, the attestation to such execution by the Secretary of the Corporation shall not be necessary to constitute such deed, deed of trust, mortgage, or other instrument a valid and binding obligation against the Corporation unless the resolutions, if any, of the Board authorizing such execution expressly state that such attestation is necessary.

9.07 Resignation. Any director, committee member, officer or agent may resign at any time by so stating at any meeting of the Board or the applicable committee or by giving notice in writing or by electronic transmission to the Board, the Chief Executive Officer or the Secretary. Such resignation shall take effect at the time specified in the statement at the Board meeting or in the written or electronically transmitted notice, but in no event may the effective time of such resignation be prior to the time such statement is made or such notice is given. If no effective time is specified in the resignation, the resignation shall be effective when delivered. Unless a resignation specifies otherwise, it shall be effective without being accepted.

9.08 Securities of Other Corporations. The Chief Executive Officer or any Vice President of the Corporation shall have the power and authority to transfer, endorse for transfer, vote, consent or take any other action with respect to any securities of another issuer which may be held or owned by the Corporation and to make, execute and deliver any waiver, proxy or consent with respect to any such securities.

9.09 Invalid Provisions. If any part of these Bylaws is held invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall remain valid and operative.

9.10 Headings; Table of Contents. The headings and table of contents used in these Bylaws are for convenience only and do not constitute matters to be construed in the interpretation of these Bylaws.

9.11 Gender. When the context requires, the gender of all words used in these Bylaws includes the masculine, feminine, and neuter, and the number of all words includes the singular and the plural.

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EXHIBIT B

Exit Facility Documents

LOAN AND SECURITY AGREEMENT

dated as of [●], 2017

by and among

FORBES ENERGY SERVICES LLC
(as Borrower)

and

FORBES ENERGY INTERNATIONAL, LLC,
TX ENERGY SERVICES, LLC,
C.C. FORBES, LLC,

and

FORBES ENERGY SERVICES LTD.
(as Guarantors)

and

WILMINGTON TRUST, NATIONAL ASSOCIATION
(as Agent)

and

THE LENDERS FROM TIME TO TIME HERETO
(as Lenders)

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Schedule 2.03 Payment Account; Disbursement of Term Loan Proceeds
Schedule 4.04 Books and Records Locations
Schedule 4.14(c) Location of Chief Executive Offices
Schedule 5.02(a) Jurisdictions of Qualification and Good Standing
Schedule 5.02(b) Subsidiaries
Schedule 5.04 Federal Tax Identification Number
Schedule 5.06 Prior Names
Schedule 5.08(b) Litigation / Commercial Tort Claims / Money Borrowed
Schedule 5.08(d) Plans
Schedule 5.09 Intellectual Property, Source Code Escrow Agreements
Schedule 5.13 Labor Disputes
Schedule 5.22 Capital Structure
Schedule 5.23 Bank Accounts
Schedule 7.02 Existing Liens
Schedule 7.08 Existing Indebtedness

Exhibits:

Exhibit A Form of Notice of Borrowing Request
Exhibit B Form of Notice of Release Request
Exhibit C-1 Form of US Tax Compliance Certificate (For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)
Exhibit C-2 Form of US Tax Compliance Certificate (For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)
Exhibit C-3 Form of US Tax Compliance Certificate (For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit C-4 Form of US Tax Compliance Certificate (For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)
Exhibit D Form of Title Agent Service Agreement
Exhibit 2.01 Form of Promissory Note
Exhibit 5.05 Financial Projections
Exhibit 9.06 Form of Compliance Certificate
Exhibit 16.03 Form of Commitment Transfer Supplement

LOAN AND SECURITY AGREEMENT

This LOAN AND SECURITY AGREEMENT, dated [●], 2017, is entered into by and among FORBES ENERGY SERVICES LLC, a limited liability company formed under the laws of the State of Delaware ("Borrower"), TX ENERGY SERVICES, LLC, a limited liability company formed under the laws of the State of Delaware ("TX Energy"), C.C. FORBES, LLC, a limited liability company formed under the laws of the State of Delaware ("C.C."), FORBES ENERGY INTERNATIONAL, LLC, a limited liability company formed under the laws of the State of Delaware ("International"), and FORBES ENERGY SERVICES LTD., a Texas corporation ("Parent"; and together with TX Energy, C.C., and International, and any other Person that at any time after the date hereof becomes a Guarantor, each a "Guarantor" and collectively, the "Guarantors"), the lenders which are now or which hereafter become a party hereto (each a "Lender" and collectively, the "Lenders") and Wilmington Trust, National Association (in its individual capacity, "Wilmington Trust"), as agent (in such capacity, the "Agent") for Secured Parties (as hereinafter defined).

WHEREAS, on January ___, 2017 (the "Petition Date"), Borrower and certain of its subsidiaries (collectively, the "Debtors") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas – Corpus Christi Division (the "Bankruptcy Court"), commenced jointly administered cases under the lead case number [●] (collectively, the "Bankruptcy Case") and thereafter continued to operate their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, on January ___, 2017 the Debtors filed a *Debtors' Prepackaged Joint Plan of Reorganization* (as amended, the "Plan of Reorganization") with the Bankruptcy Court. The Plan of Reorganization was confirmed by an order of the Bankruptcy Court in form and substance satisfactory to the Lenders (the "Confirmation Order") on [●], 2017;

WHEREAS, the Borrower is a borrower under that certain Loan and Security Agreement dated as of September 9, 2011 (as amended, restated, supplemented or otherwise modified prior to the Closing Date (as defined below), the "Pre-Petition Credit Agreement"; the commitments thereunder, the "Pre-Petition Commitments") among the Loan Parties, the lenders from time to time party thereto (in such capacity, the "Pre-Petition Lenders"), and Regions Bank, as agent (in such capacity, the "Pre-Petition Agent"); and

WHEREAS, in connection with the Plan of Reorganization, the Loan Parties have requested that the Lenders hereunder provide Term Loans under this Agreement, and the Lenders have indicated their willingness to provide such Term Loans on the terms and subject to the conditions set forth herein;

IN CONSIDERATION of the mutual covenants and undertakings herein contained, Loan Parties, Lenders and Agent hereby agree as follows:

ARTICLE I
DEFINITIONS.

Section 1.01 **Accounting Terms**.

As used in this Agreement, the Term Note(s), any Other Document, or any certificate, report or other document made or delivered pursuant to this Agreement, accounting terms not defined in Section 1.02 or elsewhere in this Agreement and accounting terms partly defined in Section 1.02 to the extent not defined, shall have the respective meanings given to them under GAAP.

Section 1.02 **General Terms**.

For purposes of this Agreement the following terms shall have the following meanings:

"Accountants" shall have the meaning set forth in Section 9.06.

"Accounts" shall mean and include as to each Loan Party and each of its Subsidiaries, all of such Loan Party's and Subsidiary's "accounts" as defined in the UCC, whether now owned or hereafter acquired including, without limitation all present and future rights of such Loan Party to payment of a monetary obligation, whether or not earned by performance, which is not evidenced by chattel paper or an instrument, (a) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (b) for services rendered or to be rendered, (c) for a secondary obligation incurred or to be incurred, or (d) arising out of the use of a credit or charge card or information contained on or for use with any such card.

"Affiliate" of any Person shall mean (a) any Person (other than a Subsidiary) which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person, or (b) any Person who is a director, manager or officer (i) of such Person, (ii) of any Subsidiary of such Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, (A) to vote ten (10%) percent or more of the Equity Interests having ordinary voting power for the election of directors or managers (or other comparable body) of such Person, or (B) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Agent" shall have the meaning set forth in the preamble to this Agreement and shall include its successors and assigns.

"Agreement" shall mean this Loan and Security Agreement, as amended, restated, modified and supplemented from time to time.

"Approved Fund" shall mean (a) any fund, trust or similar entity that invests in commercial loans in the ordinary course of business and is advised or managed by (i) a Lender, (ii) a Controlled Affiliate of a Lender, (iii) the same investment advisor that manages a Lender or (iv) a Controlled Affiliate of an investment advisor that manages a Lender or (b) any finance company, insurance company or other financial institution which temporarily warehouses loans for any Lender or any Person described in clause (a) above.

"Authority" shall have the meaning set forth in Section 4.17(d).

"Backstop Agreement" means that certain Backstop Agreement, dated the date hereof, among **[Parent]** and the Backstop Lenders (as defined therein).

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"Bankruptcy Case" shall have the meaning set forth in the recitals to this Agreement.

"Bankruptcy Code" shall have the meaning set forth in the recitals to this Agreement.

"Bankruptcy Court" shall have the meaning set forth in the recitals to this Agreement.

"Benefited Lender" shall have the meaning set forth in Section 2.06(c).

"Borrower" shall have the meaning set forth in the preamble to this Agreement and shall extend to all permitted successors and assigns of such Person.

"Borrower Materials" shall have the meaning set forth in Section 16.20.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close.

"Capital Expenditures" shall mean, with respect to any Person, capital expenditures as determined in accordance with GAAP.

"Capital Lease" shall mean any lease of any property (whether real, personal or mixed) that, in conformity with GAAP as in effect on the date hereof consistently applied, should be accounted for as a capital lease.

"Cash Equivalents" shall mean: (a) marketable direct obligations issued or unconditionally guaranteed by the United States Government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one (1) year from the date of acquisition thereof; (b) commercial paper maturing no more than six (6) months from the date issued and, at the time of acquisition, having a rating of at least A-1 from Standard & Poor's Corporation or at least P-1 from Moody's Investors Service, Inc.; (c) certificates of deposit or bankers' acceptances maturing within one (1) year from the date of issuance thereof issued by, or overnight reverse repurchase agreements from, any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia having combined capital and surplus of not less than $500,000,000 and whose debt obligations, or those of a holding company of which it is a Subsidiary, are rated not less than A (or the equivalent rating) by a nationally recognized investment rating agency (an "A Rated Bank"); (d) time deposits maturing no more than thirty (30) days from the date of creation thereof with A Rated Banks; (e) mutual funds that invest solely in one or more of the investments described in clauses (a) through (d) above; and (f) with respect to such investments in currencies other than Dollars or in jurisdictions other than the United States, other investments reasonably deemed by a Loan Party to be equivalent to the investments described in clauses (a) through (e) above.

"Cash Interest Expense" shall mean, without duplication, for any period, Interest Expense (excluding non-cash items, including, but not limited to, the following non-cash components of Interest

Expense: (a) the amortization of fees and costs with respect to the transactions contemplated by this Agreement which have been capitalized as transaction costs, and (b) interest paid in kind).

"Cash Interest Rate" shall mean 5.00% per annum, subject to increase pursuant to Section 3.01.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§9601 et seq.

"CFC" shall mean a "controlled foreign corporation" as defined in Section 957 of the Code.

"Change in Tax Law" shall mean the adoption of, or a change in, any treaty, law, rule or regulation, or in the administration, interpretation or application thereof by any Governmental Body, or the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Body, after the date on which the applicable Agent or Lender becomes a party to this Agreement (or, if such Lender is a non-U.S. intermediary or flow-through entity for U.S. federal income tax purposes, after the relevant beneficiary or member of such Lender became such a beneficiary or member, if later).

"Change of Control" shall mean the occurrence of any event (whether in one or more transactions) which results in (a) the transfer (in one transaction or a series of transactions) of all or substantially all of the assets of Parent to any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act), other than as may be permitted in this Agreement; or (b) the acquisition by any Person or group (as such term is used in Section 13(d)(3) of the Exchange Act) other than any one or more of the Permitted Holders, of more than fifty (50%) percent of beneficial ownership, directly or indirectly, of the voting power of the total outstanding voting Equity Interests of Parent.

"Charges" shall mean all taxes, charges, fees, imposts, levies or other assessments, including, without limitation, all net income, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, present or future stamp, occupation, court or documentary, recording, filing and property taxes, custom duties, fees, assessments, Liens, claims and charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts, imposed by any taxing or other authority, domestic or foreign (including, without limitation, the PBGC or any environmental agency or superfund), upon the Collateral, the Obligations, any Loan Party or any Subsidiary of any Loan Party, or that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to this Agreement or any Other Document.

"Closing Date" shall mean [●], 2017.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time and the regulations promulgated thereunder.

"Collateral" shall mean any and all collateral granted under this Agreement or any Other Document to secure any and all of the Obligations, including without limitation all tangible and intangible property of each Loan Party, all personal property of each Loan Party, all movable and immovable property of each Loan Party, in each case whether now owned or hereafter acquired and wherever located, including, but not limited to, the following of each Loan Party:

(a) all Accounts and other Receivables other than Accounts and Receivables constituting Excluded Assets;

(b) all certificated and uncertificated securities (other than Excluded Equity Interests);

(c) all chattel paper, including electronic chattel paper;

(d) all Computer Hardware and Software and all rights with respect thereto, including, any and all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, supporting information, improvement rights, renewal rights and indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing;

(e) all Contract Rights;

(f) all commercial tort claims (including, without limitation any commercial tort claims from time to time described on Schedule 5.08(b) (as such Schedule 5.08(b) may from time to time be updated));

(g) all deposit accounts, other than deposit accounts constituting Excluded Assets;

(h) all documents;

(i) all financial assets;

(j) all General Intangibles, including payment intangibles and software;

(k) all Real Property, including fixtures;

(l) all goods (including all Well Service Equipment and all other Equipment and all Inventory), and all embedded software, accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;

(m) all instruments;

(n) all Intellectual Property;

(o) all Investment Property, other than those constituting Excluded Assets;

(p) all of the Equity Interests (other than Excluded Equity Interests) issued by each Loan Party (other than Parent) and each of their Subsidiaries;

(q) all cash, cash equivalents or other money, other than those constituting Excluded Assets;

(r) all letter of credit rights;

(s) all security entitlements;

(t) all supporting obligations;

(u) all of each Loan Party's right, title and interest in and to (i) all of its respective goods and other property including, but not limited to, all merchandise returned or rejected by Customers, relating to or securing any of the Receivables; (ii) all of each Loan Party's rights as a consignor, a consignee, an unpaid vendor, mechanic, artisan, or other lienor, including stoppage in transit, setoff, compensation, detinue, replevin, reclamation and repurchase; (iii) all supporting obligations and all additional amounts due to any Loan Party from any Customer relating to the Receivables; (iv) all other property of any kind whatsoever (other than Real Property) of each Loan Party, including, but not limited to, warranty claims, relating to any goods; (v) all of each Loan Party's Contract Rights, rights of payment which have been earned under a Contract Right, letter of credit rights (whether or not the letter of credit is evidenced by a writing), instruments (including promissory notes), documents, chattel paper (whether tangible or electronic), warehouse receipts, deposit accounts, money and securities; (vi) if and when obtained by any Loan Party, all movable and personal property of third parties in which such Loan Party has been granted a Lien; and (vii) any other goods, movable or personal property of any kind or description, wherever located, now or hereafter owned or acquired by any Loan Party; and

(v) all books, records, writings, data bases, information and other property relating to, used or useful in connection with, or evidencing, embodying, incorporating or referring to any of the foregoing, and all proceeds, products, offspring, rents, issues, profits and returns of and from any of the foregoing;

provided, however, that, no Excluded Assets shall be included in Collateral.

"Commitment Percentage" shall mean with respect to any Lender at any time, as applicable, (a) with respect to such Lender's Term Loan Commitment, the percentage (carried out to the ninth decimal place) obtained by dividing (i) such Lender's Term Commitment, by (ii) the aggregate amount of Term Commitments of all Lenders, and (b) with respect to such Lender's Term Loans, the percentage (carried out to the ninth decimal place) obtained by dividing (i) such Lender's Term Loans, by (ii) the aggregate outstanding principal amount of all Term Loans.

"Commitment Transfer Supplement" shall mean a document in the form of Exhibit 16.03, properly completed, or otherwise in form and substance reasonably satisfactory to Agent, and if applicable, to Borrower, by which a Purchasing Lender purchases and assumes all or a portion of Term Loans made by a Lender and/or all or a portion of the Term Commitments of a Lender.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Compliance Certificate" shall mean the Compliance Certificate executed and delivered by a Responsible Officer of Borrower pursuant to Sections 9.06, 9.07 and (if applicable) 9.08 in the form of Exhibit 9.06 appended hereto.

"Computer Hardware and Software" shall mean all of each Loan Party's and each of its Subsidiary's rights (including rights as licensee and lessee) with respect to (a) computer and other electronic data processing hardware, including all integrated computer systems, central processing units, memory units, display terminals, printers, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories, peripheral devices and other related computer hardware; (b) all software and all software programs designed for use on the computers and electronic data processing hardware described in clause (a) above, including all operating system software, utilities and application programs in whatsoever form (source code and object code in magnetic tape, disk or hard copy format or any other listings whatsoever); (c) any firmware associated with any of the foregoing; and (d) any documentation for hardware, software and firmware described in clauses (a), (b) and (c) above, including flow charts, logic diagrams, manuals, specifications, training materials, charts and pseudo codes.

"Confirmation Order" shall have the meaning set forth in the recitals to this Agreement.

"Consents" shall mean all filings and all licenses, permits, consents, approvals, authorizations, qualifications and orders of Governmental Bodies and other third parties, domestic or foreign, necessary to carry on any Loan Party's business or to permit the effectuation and performance of this Agreement and the Other Documents, including, without limitation, any Consents required under all applicable federal, state or other applicable law.

"Consolidated Cash Balance" means, at any time, the aggregate amount of cash and Cash Equivalents, in each case, held or owned by (whether directly or indirectly) the Parent or its Subsidiaries, or which are otherwise assets of a nature that would be reflected as cash on the consolidated balance sheet of the Parent.

"Consolidated Cash Balance Threshold" means $20,000,000.

"Contract Right" shall mean any right of each Loan Party to payment under a contract for the sale or lease of goods or the rendering of services, which right is at the time not yet earned by performance.

"Controlled Affiliate" of any Person shall mean any Person which, directly or indirectly, is in control of, is controlled by, or is under common control with such Person. For purposes of this definition, control of a Person shall mean the power, direct or indirect, to (a) vote fifty-one (51%) percent or more of the Equity Interests having ordinary voting power for the election of directors or managers (or other comparable body) of such Person, and (b) to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

"Controlled Group" shall mean all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with any Loan Party, are treated as a single employer under Section 4001(a)(14) of ERISA.

"Currency Due" shall have the meaning set forth in Section 16.05.

"Customer" shall mean and include the account debtor with respect to any Receivable and/or the prospective purchaser of goods, services or both with respect to any contract or Contract Right, and/or any party who enters into or proposes to enter into any contract or other arrangement with any Loan Party, pursuant to which such Loan Party is to deliver any personal property or perform any services.

"Debtors" shall have the meaning set forth in the recitals to this Agreement.

"Default" shall mean an event which, with the giving of notice or passage of time or both, would constitute an Event of Default.

"Default Rate" shall have the meaning set forth in Section 3.01.

"Defaulting Lender" shall have the meaning set forth in Section 2.09(a).

"Disbursement Account" shall have the meaning set forth in Section 2.05.

"Disposition" shall have the meaning set forth in Section 7.01; and "Dispose" shall have the correlative meaning.

"Dollar" and the sign "$" shall mean lawful money of the United States of America.

"Dollar Equivalent" shall mean, at any time, (a) as to any amount denominated in Dollars, the amount thereof at such time, and (b) as to any amount denominated in a currency other than Dollars, the equivalent amount in Dollars as reasonably determined by Agent at such time that such amount could be converted into Dollars by Agent according to prevailing exchange rates selected by Agent.

"EBITDA" shall mean for any period, without duplication, the total of the following for Loan Parties and their Subsidiaries on a consolidated basis, each calculated for such period:

(a) Net Income; plus

(b) (without duplication), to the extent included in the calculation of Net Income, the sum of (i) income and franchise taxes or other taxes based on gross or net revenues paid or accrued, (ii) Interest Expense, net of interest income, paid or accrued, (iii) amortization and depreciation, (iv) goodwill impairment charges and other non-cash charges that will not become cash charges in future periods, (v) amortization of debt issuance costs and any non-cash, non-recurring charges relating to, any premiums or penalty paid, write-off of deferred financing costs or original issue discount or other charges in connection with, redeeming or otherwise retiring any Indebtedness prior to its stated maturity and (vi) other non-cash charges that will not become cash charges in future periods; less

(c) (without duplication), to the extent included in the calculation of Net Income, the sum of (i) the income of any Person (other than a Loan Party or a Subsidiary of any Loan Party) in which any Loan Party or a Subsidiary of any Loan Party has an ownership interest except to the extent such income is received by any Loan Party or such Subsidiary in a cash distribution during such period, (ii) gains or losses from sales or other dispositions of assets (other than sales of Inventory in the normal course of business), (iii) the greater of (A) $0 and (B) the sum of extraordinary or non-recurring gains less extraordinary or non-recurring losses, and (iv) the costs incurred by any Loan Party or a Subsidiary of any Loan Party related to the reorganization effected pursuant to the Bankruptcy Case whether incurred before or after the commencement of the Bankruptcy Case; provided, however, positive contributions to EBITDA from any Non-US Subsidiary that is not a Loan Party shall be disregarded except to the extent of payments received by a Loan Party from such Non-US Subsidiary; plus

(d) stock-based compensation expense reported for that period.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority and subject to the Bail-In Legislation, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Environmental Complaint" shall have the meaning set forth in Section 4.17(d).

"Environmental Laws" shall mean all federal, state, local and other environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances and the rules, regulations, policies, formal agency interpretations, decisions, orders and directives of federal, state, local and other Governmental Body with respect thereto.

"Equipment" shall mean and include as to each Loan Party and each of its Subsidiaries, all of such Loan Party's and Subsidiary's, whether now owned or hereafter acquired and wherever located, Well Services Equipment and other equipment, machinery, apparatus, motor vehicles, fittings, furniture, furnishings, fixtures, parts, accessories, and all other goods (other than Inventory) and all replacements and substitutions therefor or accessions thereto.

"Equity Interests" shall mean, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated) of such Person's capital stock or partnership, limited liability company or other equity interests at any time outstanding, and any and all rights, warrants or options exchangeable for or convertible into such capital stock or other interests (but excluding any debt security that is exchangeable for or convertible into such capital stock or other equity interests).

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time and the rules and regulations promulgated thereunder.

"ERISA Affiliate" shall mean, with respect to any Loan Party, any trade or business (whether or not incorporated) that, together with such Loan Party, is treated as a single employer within the meaning of Sections 414(b), (c), (m) or (o) of the Code.

"ERISA Event" (a) An event described in Section 4043(c) of ERISA with respect to a Title IV Plan with respect to which the thirty (30) day notice requirement has not been waived; (b) the withdrawal of any Loan Party or ERISA Affiliate from a Title IV Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer, as defined in Section 4001(a) (2) of ERISA; (c) the complete or partial withdrawal of any Loan Party or any ERISA Affiliate from any Multiemployer Plan; (d) the filing of a notice of intent to terminate a Title IV Plan or the treatment of a plan amendment as a termination under Section 4041 of ERISA; (e) the institution of proceedings to terminate a Title IV Plan or Multiemployer Plan by the PBGC; (f) the failure by any Loan Party or ERISA Affiliate to make when due required contributions to a Multiemployer Plan or Title IV Plan unless such failure is cured within thirty (30) days; (g) the imposition of a lien under Section 412 or 430 of the Code or Section 303 or 4068 of ERISA on any property (or rights to property, whether real or personal) of any ERISA Affiliate; (h) a Title IV Plan is in "at risk status" within the meaning of Code Section 430(i), (i) a Multiemployer Plan is in "endangered status" or "critical status" within the meaning of Code Section 432(b); (j) an ERISA Affiliate incurs a substantial cessation of operations within the meaning of ERISA Section 4062(e), with respect to a Title IV Plan; (k) any other event or condition that might reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Title IV Plan or Multiemployer Plan or for the imposition of liability under Section 4069 or 4212(c) of ERISA; (l) the termination of a Multiemployer Plan under Section 4041A of ERISA or the insolvency of a Multiemployer Plan under Section 4245 of ERISA; or (m) the revocation of a Qualified Plan's qualified or tax exempt status; or (n) the termination of a Plan described in Section 4064 of ERISA.

"ESOP" shall mean a Plan that is intended to satisfy the requirements of Section 4975(e)(7) of the Code.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Event of Default" shall mean the occurrence of any of the events set forth in Article X.

"Excess Cash" means, at any applicable time, the amount of the Consolidated Cash Balance in excess of the Consolidated Cash Balance Threshold (other than (i) any cash held to pay in the ordinary course of business of the Borrower, or any Guarantor, amounts then due and owing to unaffiliated third parties and for which such Loan Party has issued checks or has initiated wires or ACH transfers in order to pay such amounts (or will issue such checks or initiate such wires or ACH transfers within seven (7) Business Days of such time), (ii) cash of any Loan Party to be used by any Loan Party within seven (7) Business Days of such time to make (A) purchase price payments for any acquisitions of any assets or property by any Loan Party that is permitted under the terms of this Agreement, (B) repayments or mandatory prepayments of any debt of any Loan Party that is permitted under the terms of this agreement or (C) payments of interest payable, (iii) cash being held by any Loan Party that represents the amount of deposits or advance payments made by customers or others, or (iv) any cash of any Loan Party constituting deposits or advance payments held in escrow by an unaffiliated third party subject to customary provisions regarding the payment and refunding of such deposits or advance payments, including any cash pledged as collateral in connection with any issued letters of credit or purchasing cards or credit cards, so long as such cash collateral remains so pledged).

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Excluded Assets" shall mean:

(a) any Excluded Equity Interests;

(b) each instrument, contract (including each Intellectual Property-related contract and any Accounts and other Receivables arising under such contract), chattel paper (including, without limitation, any chattel paper evidencing a Permitted Fixed Asset Financing with respect to Financed Equipment), license, permit, General Intangible, any Financed Equipment that is subject to a Permitted Fixed Asset Financing, and other agreement that is with, or issued by, a Person that is not a Loan Party or Affiliate of any Loan Party, but only while, and only to the extent that, the grant of a security interest therein pursuant to this Agreement would result in a default or penalty under, or a breach or termination of, such instrument, contract, chattel paper (including, without limitation, any chattel paper evidencing a Permitted Fixed Asset Financing with respect to Financed Equipment), license, permit, General Intangible, Permitted Fixed Asset Financing with respect to Financed Equipment, or other agreement (any such provisions that would result in any of the foregoing being referred to herein as a "Restriction"; and any such asset or property, or interest thereon, that is at any time subject to a Restriction being referred to herein as a "Restricted Asset"), except, in each case, to the extent that, pursuant to the Code or other applicable law, the grant of a security interest therein can be made without resulting in a default or penalty thereunder or breach or termination thereof; provided, that, none of the foregoing assets and properties, or interests therein, shall constitute Excluded Assets if (i) the Restriction applicable thereto has been waived or such other Person has otherwise consented to the creation hereunder of a security interest in such Restricted Asset, or (ii) such Restriction would be rendered ineffective pursuant to

Section 9-406, 9-407, 9-408 or 9-409 of Article 9 of the UCC, as applicable, and as then in effect in any relevant jurisdiction, or any other applicable law (including the Bankruptcy Code) or principles of equity; provided further, that, (A) immediately upon the ineffectiveness, lapse or termination of any such Restriction with respect to a Restricted Asset (a "Non-Restricted Asset"), such Loan Party shall be deemed to have automatically, without further act by any Loan Party, Agent, Lenders or any other Person, granted a security interest in, all its rights, title and interests in and to such Non-Restricted Asset as if such Restriction had never been in effect; and (B) the foregoing exclusion shall in no way be construed so as to limit, impair or otherwise affect Agent's unconditional continuing security interest in and to all rights, title and interests of such Loan Party in or to any payment obligations or other rights to receive monies due or to become due under any such Restricted Asset and in any such monies and other proceeds of such Restricted Asset, except that, proceeds of any Financed Equipment that constitutes a Restricted Asset (including, without limitation, insurance proceeds and sales proceeds at any time arising with respect to such Financed Equipment) shall also constitute a Restricted Asset, subject to the immediately preceding clause (A) of this proviso;

(c) applications for any trademarks that have been filed with the U.S. Patent and Trademark Office on the basis of an "intent-to-use" with respect to such marks, unless and until a statement of use or amendment to allege use is filed and accepted by the U.S. Patent and Trademark Office or any other filing is made or circumstances otherwise change so that the interests of a Loan Party in such marks is no longer on an "intent-to-use" basis, at which time such marks shall automatically and without further action by the parties be subject to the security interests and liens granted by a Loan Party to Agent hereunder;

(d) all interests in Real Property held in a leasehold estate; and

(e) any cash (together with deposit accounts holding cash deposits, any interest, investment income, related rights and proceeds thereof) pledged as collateral in connection with any issued letters of credit or purchasing cards or credit cards, so long as such cash and related collateral remains so pledged, including, without limitation, all Senior Secured Obligations Cash Collateral (as defined in the Plan of Reorganization).

"Excluded Equity Interests" shall mean voting Equity Interests issued by a Non-US Subsidiary that is a CFC representing in excess of sixty-five (65%) percent (or such greater percentage to the extent such greater percentage would not result in a material adverse tax consequence to Loan Parties under Treas. Reg. Section 1.956-2) of the voting Equity Interests of such Non-US Subsidiary.

"Excluded Hedging Obligations" shall have the meaning set forth in the definition of Obligations.

"Excluded Tax or Taxes" shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Term Loan or Term Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Term Loan or Term Commitment or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 3.07, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 16.03(f) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Extraordinary Receipts" shall mean any cash received by any Loan Party or any of their respective Subsidiaries consisting of (a) proceeds of judgments, proceeds of settlements or other consideration of any kind in connection with any cause of action, (b) indemnity payments (other than to the extent such indemnity payments are (i) immediately payable to a Person that is not a Loan Party or any of their respective Subsidiaries, or (ii) received by a Loan Party or any of their respective Subsidiaries as reimbursement for any payment previously made to such Person), (c) any purchase price adjustment (other than a working capital adjustment) received in connection with any purchase or other acquisition agreement, (d) tax refunds, (e) pension plan reversions, (f) proceeds of insurance (other than such proceeds described in Section 2.07(a)) and (g) at any time that an Event of Default has occurred and is continuing, at the sole discretion of Agent, any other cash received by any Loan Party or any of their respective Subsidiaries not in the ordinary course of business (and not consisting of proceeds described in Section 2.07(a) of this Agreement).

"FATCA" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreement entered into pursuant to Section 1471(b)(1) of the Code.

"Federal Funds Rate" shall mean, for any day, the rate per annum (rounded upward to the nearest one one-hundredth of one (1/100 of 1%) percent) equal to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided, that, if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate quoted to Agent on such day on such transactions as determined by Agent in a commercially reasonable manner.

"Fee Letter" shall mean the Fee Letter, dated as of the date hereof, by and among the Borrower and Agent, as amended, restated, modified and supplemented from time to time.

"Financed Equipment" shall mean, collectively, all of Loan Parties' Equipment in respect of which all or any part of the purchase price or cost of design, construction, installation or improvement thereof is financed pursuant to a Capital Lease or Permitted Fixed Asset Financing, together with all proceeds of such Equipment, including, without limitation, all insurance proceeds and all sales proceeds.

"Fixed Charge Coverage Ratio" shall mean, with respect to Loan Parties and their Subsidiaries on a consolidated basis, for any applicable period, the ratio of (a) EBITDA for such period minus all cash Capital Expenditures (other than Capital Expenditures financed hereunder or by purchase-money financing (including vendor financing and third party financing permitted hereunder) secured by a Lien on the applicable Equipment which constitutes a Permitted Encumbrance in accordance with clause (f) of such definition of Permitted Encumbrance) made during such period, to (b) Fixed Charges for such period.

"Fixed Charges" shall mean, as to Loan Parties and their Subsidiaries determined on a consolidated basis, with respect to any period, the sum of, without duplication, (a) all Cash Interest Expense during such period (excluding any write-off of deferred financing costs or original issue discount or other non-cash charges in connection with redeeming or otherwise retiring any Indebtedness prior to its stated maturity during such period), plus (b) all regularly scheduled principal payments of Money Borrowed, Indebtedness with respect to earn-outs and similar obligations and Indebtedness with respect to

Capital Leases, in each case made or required to be made during such period (and without duplicating items in (a) and (b) of this definition, the interest component with respect to Indebtedness under Capital Leases), plus (c) all income taxes, franchise taxes and other similar taxes paid or required to be paid during such period in cash, plus (d) all cash dividends or other cash distributions made or required to be made on account of Equity Interests (other than those made to a Loan Party) and all repurchases or redemptions of Equity Interests (other than those made to a Loan Party) made or required to be made during such period, minus (e) principal payments on notes incurred for the purpose of paying insurance premiums.

"Foreign Lender" means a Lender that is not a US Person.

"Funding Account" shall mean an account held by Subscription Agent into which each Lender shall deposit immediately available federal funds for the purpose of funding the Term Loans on the Closing Date in accordance with this Agreement.

"Funding Fee" shall have the meaning set forth in Section 3.02(a).

"GAAP" shall mean generally accepted accounting principles in the United States of America in effect from time to time, as may be amended from time to time by the Financial Accounting Standards Board.

"General Intangibles" shall mean and include as to each Loan Party and each of its Subsidiaries, all of such Loan Party's and Subsidiary's general intangibles (as such term is defined in the UCC), whether now owned or hereafter acquired including, without limitation, all payment intangibles, choses in action, commercial tort claims, causes of action, corporate or other business records, inventions, designs, patents, patent applications, equipment formulations, manufacturing procedures, quality control procedures, trademarks, service marks, trade secrets, goodwill, copyrights, design rights, registrations, licenses, franchises, customer lists, tax refunds, tax refund claims, computer programs and computer software, all claims under guaranties, Liens or other security held by or granted to such Loan Party or Subsidiary to secure payment of any of the Receivables by a Customer, all rights of indemnification and all other intangible property of every kind and nature (other than Receivables).

"Governmental Body" shall mean any nation or government, any state or other political subdivision thereof or any entity exercising the legislative, judicial, regulatory or administrative functions of or pertaining to a government.

"Guarantee" shall mean the guarantee set forth in Article XV of this Agreement and any other guarantee of the Obligations of the Borrower now or hereafter executed by a Guarantor in favor of Agent for its benefit and for the ratable benefit of Lenders.

"Guarantor" or "Guarantors" shall have the meaning set forth in the preamble to this Agreement and shall extend to all permitted successors and assigns of such Persons as well as each other Subsidiary of Parent and the Borrower that becomes a guarantor of any of the Obligations after the Closing Date pursuant to Section 7.11(a) or otherwise.

"Hazardous Discharge" shall have the meaning set forth in Section 4.17(d).

"Hazardous Substance" shall mean, without limitation, any flammable explosives, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum products, methane, hazardous materials, Hazardous Wastes, hazardous or Toxic Substances or related materials as defined in CERCLA, the Hazardous Substances Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), RCRA, Articles 15 and 27 of the New York State Environmental Conservation Law or any other applicable Environmental Law and in the regulations adopted pursuant thereto.

"Hazardous Wastes" shall mean all waste materials subject to regulation under CERCLA, RCRA or applicable state or other law, and any other applicable Federal, state or other laws now in force or hereafter enacted relating to hazardous waste disposal.

"Hedging Agreements" shall mean an agreement between any Loan Party and any financial institution that is a rate swap agreement, basis swap, forward rate agreement, commodity swap, interest rate option, forward foreign exchange agreement, spot foreign exchange agreement, rate cap agreement rate, floor agreement, rate collar agreement, currency swap agreement, cross-currency rate swap agreement, currency option, any other similar agreement (including any option to enter into any of the foregoing or a master agreement for any of the foregoing together with all supplements thereto) for the purpose of protecting against fluctuations in or managing exposure with respect to interest or exchange rates, currency valuations or commodity prices.

"Impacted Lender" shall mean any Lender that (a) is an Impaired Lender or (b) fails to promptly provide Agent, upon Agent's written request, reasonably satisfactory assurance that such Lender is not, and will not become, a Defaulting Lender or an Impaired Lender.

"Impaired Lender" shall mean any Lender (a) that has given verbal or written notice (so long as such notice has not been retracted in writing) to the Borrower, the Agent or any other Lender or has otherwise publicly announced (and such announcement has not been retracted in writing) that such Lender believes it will fail to fund all payments required to be made by it or fund all purchases of participations required to be funded by it under this Agreement and the Other Documents, (b) as to which the Agent has (and for so long as Agent continues to have) a good faith belief that such Lender has defaulted in fulfilling its obligations (as a lender, agent or letter of credit issuer) under one or more other syndicated credit facilities or (c) with respect to which one or more Lender-Related Distress Events has occurred and are continuing with respect to such Person or any Person that directly or indirectly controls such Lender and Agent has determined that such Lender may become a Defaulting Lender. For purposes of this definition, control of a Person shall have the same meaning as provided in the definition of Affiliate.

"Inactive Subsidiaries" shall mean Forbes Energy Capital, Inc. and any Subsidiary of a Loan Party that is not conducting business as of the date of determination and has not conducted business for at least the previous three (3) months.

"Indebtedness" of a Person at a particular date shall mean (a) all indebtedness for Money Borrowed of such Person whether direct or guaranteed; (b) that portion of obligations with respect to Capital Leases that is properly classified as a liability on a balance sheet in conformity with GAAP consistently applied; (c) notes payable and drafts accepted representing extensions of credit; (d) any obligation owed for all or any part of the deferred purchase price of property or services if the purchase price is due more than six (6) months from the date the obligation is incurred or is evidenced by a note or similar written instrument (including, without limitation, the maximum potential amount of all earn-outs and similar deferred payment obligations regardless of the length of deferral); (e) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person; (f) any contractual obligation, contingent or otherwise, of such Person to pay or be liable for the payment of any indebtedness described in this definition of another Person, including, without limitation, any such indebtedness, directly or indirectly guaranteed, or any agreement to purchase, repurchase, or otherwise acquire such indebtedness, obligation or liability or any security therefor, or to provide funds for the payment or discharge thereof, or to maintain solvency, assets, level of income, or other financial condition; (g) all obligations evidenced by bonds, debentures, notes or similar instruments; (h) all reimbursement obligations and other liabilities of such Person with respect to surety bonds (whether bid, performance or otherwise), letters of credit, banker's acceptances, drafts or similar documents or instruments issued for such Person's account; and (i) all obligations, liabilities and indebtedness of such Person (marked to market) arising under Hedging Agreements. For the absence of doubt, "Indebtedness" shall not include (A) accrued expenses incurred in the ordinary course of business consistent with past practices or (B) trade payables incurred in the ordinary course of business consistent with past practices and subsequent to the Petition Date which trade payables under this clause (B) are outstanding no more than seventy-five (75) days past their invoice date.

"Insignificant Subsidiary" shall mean a subsidiary that, together with other Insignificant Subsidiaries, accounts for less than 5% of the total consolidated assets and EBITDA of Parent and its Subsidiaries after the Petition Date.

"Intellectual Property" shall mean all trade secrets and other proprietary information; trademarks, service marks, business names, Internet domain names, designs, logos, trade dress, slogans, indicia and other source and/or business identifiers, and the goodwill of the business relating thereto and all registrations or applications for registrations which have heretofore been or may hereafter be issued thereon throughout the world; copyrights (including copyrights for computer programs and software) and copyright registrations or applications for registrations which have heretofore been or may hereafter be issued throughout the world and all tangible property embodying the copyrights; unpatented inventions (whether or not patentable); patent applications and patents; industrial designs, industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, source codes, object codes and other physical manifestations, embodiments or incorporations of any of the foregoing; the right to sue for all infringements of any of the foregoing; and all common law and other rights throughout the world in and to all of the foregoing.

"Interest Expense" shall mean, for any period, as to any Person, as determined in accordance with GAAP consistently applied, the total interest expense of such Person, whether paid or accrued during such period but without duplication (including the interest component of Capital Leases for such period).

"Inventory" shall mean and include as to each Loan Party and each Subsidiary of each Loan Party, all of such Loan Party's and Subsidiary's now owned or hereafter acquired inventory (as such term is defined in the UCC), goods, merchandise and other personal property, wherever located, to be furnished under any contract of service or held for sale or lease, all raw materials, work in process, finished goods and materials and supplies of any kind, nature or description which are or might be used or consumed in such Loan Party's or Subsidiary's business or used in selling or furnishing such goods, merchandise and other personal property, all other inventory of such Loan Party or Subsidiary, and all documents of title or other documents representing them.

"Investment Conditions" shall mean, on any date of determination in connection with any proposed transaction with respect to which the satisfaction of Investment Conditions are required hereunder, that (a) Loan Parties and their Subsidiaries, on a consolidated basis, shall have a Fixed Charge Coverage Ratio (calculated for the fiscal quarter immediately preceding a fiscal quarter in which the transaction requiring compliance with the Investment Conditions has occurred, on a pro forma basis, as if such transaction occurred on the last day of such preceding quarter) of at least 1.0:1.0 on the date of such proposed transaction and, in addition, solely in the case of either a proposed Permitted Acquisition or proposed Majority Interest JV transaction, on a projected, pro forma basis at all times during the twelve (12) month period after giving effect to such proposed Permitted Acquisition or proposed Majority Interest JV transaction and (c) no Default or Event of Default shall have occurred and be continuing as of such date or shall exist after giving effect to the consummation of such proposed transaction

"Investment Property" shall mean any "investment property" as such term is defined in Section 9-102 of the UCC now owned or hereafter acquired by any Loan Party or any of its Subsidiaries, wherever located, including (a) all securities, whether certificated or uncertificated, including stocks, bonds, interests in limited liability companies, partnership interests, treasuries, certificates of deposit, and mutual fund shares; (b) all securities entitlements of any Loan Party or Subsidiary, including the rights of any Loan Party or Subsidiary to any securities account and the financial assets held by a securities intermediary in such securities account and any free credit balance or other money owing by any securities intermediary with respect to that account; (c) all securities accounts of any Loan Party or Subsidiary; (d) all commodity contracts of any Loan Party or Subsidiary; and (e) all commodity accounts held by any Loan Party or Subsidiary.

"IRS" shall mean the United States Internal Revenue Service.

"Judgment Currency" shall have the meaning set forth in Section 16.05.

"JV" shall mean (a) a partnership, joint venture or similar arrangement, or (b) a corporation, limited liability company or other Person in which Loan Parties own less than one hundred (100%) percent of the outstanding Equity Interests.

"Lender" and "Lenders" shall have the meaning ascribed to such term in the preamble to this Agreement and shall include each Person which becomes a transferee, successor or assign of any Lender.

"Lender Default" shall have the meaning set forth in Section 2.09(a).

"Lender-Related Distress Event" shall mean, with respect to any Lender or any Person that directly or indirectly controls such Lender (each a "Distressed Person"), a voluntary or involuntary case with respect to such Distressed Person under the Bankruptcy Code or any similar bankruptcy or insolvency laws of its jurisdiction of formation, or a custodian, conservator, receiver or similar official is appointed for such Distressed Person or any substantial party of such Distressed Person's assets, or such Distressed Person or any Person that directly or indirectly controls such Distressed Person is subject to a forced liquidation, merger, sale or other change of control supported in whole or in party by guaranties or other support (including, without limitation, the nationalization or assumption of ownership or operating control) by the U.S. government or other Governmental Body, or such Distressed Person makes a general assignment for the benefit of creditors or is otherwise adjudicated as, or determined by any Governmental Body having regulatory authority over such Distressed Person or its assets to be, insolvent, bankrupt, or deficient in meeting any capital adequacy or liquidity standard of any such Governmental Body. Notwithstanding the foregoing, no Lender-Related Distress Event shall be deemed to have occurred solely by virtue of the ownership or acquisition of any Equity Interests in any Lender or any Person that directly or indirectly controls such Lender by a Governmental Body, so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Body) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. For purposes of this definition, control of a Person shall have the same meaning as provided in the definition of Affiliate.

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, security interest, lien (whether statutory or otherwise), charge, claim or encumbrance, or preference, priority or other security agreement or preferential arrangement held or asserted in respect of any asset of any kind or nature whatsoever including, without limitation, any conditional sale or other title retention agreement, any lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement under the UCC or comparable law of any jurisdiction. Any reference to the Lien of Agent shall be construed in the broadest sense possible and shall in each case include a security interest and other Lien as the context implies.

"Loan Party" shall mean, individually, the Borrower and each Guarantor, and "Loan Parties" shall mean, collectively, the Borrower and the Guarantors.

"Loan Party's knowledge" or "knowledge of Loan Party" shall mean the actual knowledge of the President, the Chief Executive Officer, the Executive Vice President, or the Chief Financial Officer of Parent, without obligation to conduct further inquiry outside the ordinary course of business.

"Majority Interest JV" shall mean a JV in which Loan Parties own greater than fifty (50%) percent of the Equity Interests.

"Master Account" shall have the meaning set forth in Section 2.08(b).

"Master Account Control Agreement" means a deposit account control agreement satisfactory to the Required Lenders which shall provide that funds held on deposit in the Master Account shall be released solely upon the satisfaction of the Release Conditions.

"Material Adverse Effect" shall mean a material adverse effect on (a) the financial condition, operations, assets, business or prospects of the Loan Parties and their Subsidiaries taken as a whole, (b) the Loan Parties' ability to pay the Obligations or to comply with this Agreement or any Other Document in accordance with the terms hereof or thereof, (c) the value of the Collateral, or Agent's Liens on the Collateral or the priority of any such Lien or (d) Agent's ability to realize on the Collateral or otherwise enforce the terms of this Agreement or any of the Other Documents.

"Material Contracts" shall have the meaning set forth in Section 5.21.

"Minority Interest JV" shall mean any JV that is not a Majority Interest JV.

"Money Borrowed" shall mean (a) Indebtedness for borrowed money arising from the lending of money by any Person to any Loan Party or any of their respective Subsidiaries, (b) Indebtedness, whether or not in any such case arising from the lending by any Person of money to any Loan Party or any of their respective Subsidiaries, (i) which is represented by notes payable or drafts accepted that evidence extensions of credit, (ii) which constitutes obligations evidenced by bonds, debentures, notes or similar instruments, or (iii) upon which interest charges are customarily paid (other than accounts payable) or that was issued or assumed as full or partial payment for property, (c) reimbursement obligations with respect to letters of credit or guaranties of letters of credit, and (d) Indebtedness of any Loan Party or any of their respective Subsidiaries under any guarantee of obligations that would constitute Indebtedness for Money Borrowed under clauses (a), (b) or (c) hereof, if owed directly by any Loan Party or any of their respective Subsidiaries.

"Mortgages" means the mortgages or deeds of trust delivered pursuant to Section 4.19(a).

"Multiemployer Plan" shall mean a "multiemployer plan" as defined in Sections 3(37) and 4001(a)(3) of ERISA.

"Net Income" shall mean, for any period, the aggregate income (or loss) of Loan Parties and their Subsidiaries for such period, all computed and calculated in accordance with GAAP consistently applied on a consolidated basis.

"New Common Stock" shall mean shares of the Parent, after reincorporation in Delaware, to be issued as part of the Plan of Reorganization.

"Non-Restricted Asset" shall have the meaning as set forth in the definition of Excluded Assets.

"Non-US Subsidiary" shall mean any Subsidiary other than a US Subsidiary.

"Obligations" shall mean and include any and all of each Loan Party's Indebtedness and/or liabilities pursuant to or evidenced by this Agreement or any Other Documents to Agent or Lenders of every kind, nature and description, direct or indirect, secured or unsecured, joint, several, joint and several, absolute or contingent, due or to become due, now existing or hereafter arising, contractual or tortious, liquidated or unliquidated, regardless of how such indebtedness or liabilities arise (including all interest accruing after the commencement of any bankruptcy or similar proceeding whether or not enforceable in such proceeding) and all obligations of any Loan Party to Agent or Lenders to perform acts or refrain from taking any action under this Agreement or any Other Documents.

"OFAC" shall mean the U.S. Department of the Treasury's Office of Foreign Assets Control.

"Other Connection Taxes" shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Obligation or Other Document, or sold or assigned an interest in any Obligation or Other Document).

"Other Documents" shall mean, to the extent applicable, any Term Note, the Questionnaire, the Fee Letter any Guarantee and any and all other agreements, instruments and documents, including, without limitation, guaranties, pledges, security agreements, mortgages, deeds of trust, debentures, control agreements, other collateral documents, subordination agreements, intercreditor agreements, powers of attorney, consents, and all other writings heretofore, now or hereafter executed and/or delivered by any Loan Party to Agent or any Lender in respect of the transactions contemplated by this Agreement, in each case, as such agreements, instruments and documents are amended, restated, modified or supplemented from time to time.

"Parent" shall mean Forbes Energy Services Ltd, a Texas corporation.

"Participant" shall mean each Person who shall be granted the right by any Lender to participate in any of the Term Loans or Term Commitments of such Lender and who shall have entered into a participation agreement in form and substance reasonably satisfactory to such Lender.

"Payment Account" shall mean Agent's account set forth on Schedule 2.04(b) or such other account of Agent, if any, which Agent may designate by notice to Borrower and to each Lender to be the Payment Account.

"Payment in Full" or "Paid in Full" shall mean (a) all Term Commitments have been terminated or expired and (b) all of the Obligations have been paid in full in cash.

"PBGC" shall mean the Pension Benefit Guaranty Corporation.

"Permitted Acquisition" shall mean the purchase by Borrower or a wholly-owned US Subsidiary of Borrower that is a Loan Party after the date hereof of all or substantially all of the assets or property or all of the Equity Interests of any Person or any business unit or division of such Person (such assets or Person being referred to herein as the "Target"), or the merger with a Target by Borrower or a wholly-owned US Subsidiary of Borrower that is a Loan Party, subject to the satisfaction of each of the following conditions:

(a) Agent shall receive at least ten (10) Business Days' prior written notice of such proposed Permitted Acquisition, which notice shall include a reasonably detailed description of such proposed Permitted Acquisition;

(b) the Target's assets shall only comprise a business of the type engaged in by Loan Parties as of the date hereof or ancillary businesses reasonably similar, related or complementary to the business engaged in by Loan Parties as of the date immediately preceding the date on which such notice is given, and which business would not subject Agent or any Lender to regulatory or third party approvals in connection with the exercise of its rights and remedies under this Agreement or any Other Documents other than approvals applicable to the exercise of such rights and remedies with respect to Loan Parties prior to such proposed Permitted Acquisition;

(c) the total cash and non-cash consideration paid by Loan Parties and their Subsidiaries (including, without limitation, assumption or incurrence of all Indebtedness (including without limitation earn-outs and deferred purchase price obligations)) shall not exceed the Permitted Acquisitions/JV Cap Amount;

(d) Target must have had a positive EBITDA on a cumulative basis for the immediately preceding four (4) fiscal quarters and no more than one (1) fiscal quarter during such four fiscal quarter period may have a negative EBITDA;

(e) at or prior to the closing of such proposed Permitted Acquisition, Agent, for the ratable benefit of each Secured Party, will be granted a first priority perfected security interest and lien (subject to Permitted Encumbrances) in all assets and Equity Interests (other than Excluded Assets) acquired in connection therewith and each Person acquired in connection therewith shall have joined this Agreement as a Guarantor and each Loan Party and each Person acquired in connection therewith shall have executed (or caused to be executed) such documents and taken such actions as may be required by Agent in connection therewith;

(f) such proposed Permitted Acquisition shall not be hostile and, prior to its closing, shall have been approved by the board of directors (or other similar body) and/or the stockholders or other equity holders of the Target;

(g) all material consents necessary for such proposed Permitted Acquisition have been acquired and such proposed Permitted Acquisition is consummated in accordance with the applicable acquisition documents and applicable law;

(h) each of the representations and warranties made by any Loan Party in or pursuant to this Agreement and any Other Document to which it is a party, and each of the representations and warranties contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any Other Document shall be true and correct in all material respects (without duplication of any materiality qualifiers already set forth therein) on and as of such date such proposed Permitted Acquisition is consummated both before and after giving effect thereto as if made on and as of such date, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects (without duplication of any materiality qualifiers already set forth therein) on and as of such earlier date);

(i) on or prior to the date of such proposed Permitted Acquisition, Agent shall have received, in form and substance reasonably satisfactory to Agent, copies of the acquisition agreement (which shall allow collateral assignments of Loan Parties rights thereunder in favor of the Agent and the Lenders) or merger agreement, all related agreements and instruments, and all opinions, certificates, lien search results and other documents reasonably requested by Agent;

(j) concurrently with delivery of the notice referred to in clause (a) above, Loan Parties shall have delivered to Agent, in form and substance reasonably satisfactory to Agent updated versions of the projections most recently delivered pursuant to Section 9.11(b), covering the 1-year period commencing on the date of such Permitted Acquisition and otherwise prepared in accordance with such most recently delivered projections and based upon historical financial data of a recent date reasonably satisfactory to Agent, taking into account such Permitted Acquisition; and

(k) both on the date of closing of the proposed Permitted Acquisition and after giving effect thereto, Loan Parties shall have satisfied the Investment Conditions;

(l) if the proposed Permitted Acquisition is structured as a merger of the Target and Borrower or wholly-owned US Subsidiary of Borrower that is a Loan Party, Borrower or such wholly-owned US Subsidiary must be the survivor of such merger, or the survivor must assume all Obligations and execute such documents as may be reasonably required by the Required Lenders subjecting such survivor to the Agreement and Other Documents as applicable; and

(m) concurrently with consummation of the proposed Permitted Acquisition, Borrower shall have delivered to Agent a certificate stating that the foregoing conditions have been satisfied.

"Permitted Acquisitions/JV Cap Amount" shall mean, with respect to both Permitted Acquisitions and all JV investments permitted pursuant to Section 7.11(b) ("Permitted JV's"), an aggregate amount (the "Total Acquisitions/JV Investment Amount") equal to the sum of (a) the total cash and non-cash consideration paid by Loan Parties and their Subsidiaries (including, without limitation, assumption or incurrence of all Indebtedness (including without limitation earn-outs and deferred purchase price obligations)) in connection with all Permitted Acquisitions, and (b) the total cash and non-cash consideration paid and/or invested by Loan Parties and their Subsidiaries in connection with all Permitted JV's (including, without limitation, assumption or incurrence of Indebtedness in connection therewith and all contributions of capital or other property to all JV's), which Total Acquisitions/JV Investment Amount shall in no event exceed for any fiscal year, an amount equal to (such amount, the

"Annual Acquisitions/JV Cap") (i) $5,000,000 in the aggregate (the "Annual Acquisitions/JV Base Amount") for all Permitted Acquisitions and all Permitted JV's for the current fiscal year commencing on January 1, 2017 through and including December 31, 2017, and (ii) for the fiscal year ending December 31, 2018 and for each successive fiscal year thereafter, an aggregate amount equal to the Annual Acquisitions/JV Base Amount. For the avoidance of doubt, any investment in salt water disposal wells up to $15,000,000 in the aggregate shall not be included in the calculation of the Permitted Acquisitions/JV Cap Amount.

"Permitted Encumbrances" shall mean:

(a) Liens in favor of Agent for the benefit of each Secured Party, which, in each case, secure Obligations;

(b) inchoate Liens for taxes, assessments or other governmental charges ("Tax Lien") not delinquent or being contested in good faith and by appropriate proceedings by the applicable Loan Party or Subsidiary of a Loan Party and with respect to which proper accruals have been taken by Loan Parties and the Subsidiaries; provided, that, (i) no Lien has been filed with respect thereto or, if any such Lien shall have been filed, a stay of enforcement of any such Lien shall be in effect, and (ii) the failure to make payment pending any such contest could not reasonably be expected to result in a Material Adverse Effect;

(c) deposits or pledges to secure obligations under worker's compensation, social security or similar laws, or under unemployment insurance, in each case made in the ordinary course of business and excluding deposits, liens or pledges under ERISA;

(d) deposits or pledges of cash to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the ordinary course of the applicable Loan Party's or Subsidiary's business;

(e) inchoate mechanics', workers', materialmen's, carriers', warehousemen's, landlords or other like Liens arising in the ordinary course of the applicable Loan Party's or Subsidiary's business with respect to obligations which are (i) not due or (ii) being contested in good faith and by appropriate proceedings by the applicable Loan Party or Subsidiary of a Loan Party and with respect to which proper accruals have been taken by Loan Parties and the Subsidiaries; provided, that, (i) no Lien has been filed with respect thereto or, if any such Lien shall have been filed, a stay of enforcement of any such Lien shall be in effect, and (ii) the failure to make payment pending any such contest could not reasonably be expected to result in a Material Adverse Effect;

(f) Liens placed upon fixed assets hereafter acquired (including, without limitation, fixed assets leased pursuant to a Capital Lease or other similar leasing arrangement or pursuant to a Permitted Fixed Asset Financing) by any Loan Party or any Subsidiary to secure a portion of the purchase price or financing thereof incurred prior to, at the time of, or within 120 days after completion of the acquisition of such fixed assets; provided, that, (i) any such Lien shall not encumber any property of Loan Parties or their Subsidiaries other than the fixed assets so purchased or financed, accessories, accessions, replacements, repairs, modifications and, additions and attachments to such fixed assets, together with any contracts, leases, subleases, chattel paper, security deposits with respect thereto and proceeds thereof (including insurance proceeds), and (ii) the aggregate amount secured by such Liens shall not exceed the applicable amount provided for in Section 7.07(b);

(g) Liens in existence on the date hereof that are disclosed on Schedule 7.02;

(h) Liens on specific fixed assets (as opposed to any blanket Lien on any asset type) acquired pursuant to a Permitted Acquisition in existence at the time such assets are acquired pursuant to such Permitted Acquisition and not created in contemplation thereof; provided, that such Liens do not attach to any assets other than the assets acquired pursuant to such Permitted Acquisition;

(i) with respect to any Real Property, Liens consisting of easements, rights of way and zoning restrictions that do not materially interfere with or impair the use or operation thereof;

(j) Liens on depository accounts granted or arising in the ordinary course of business in favor of depositary banks maintaining such depository accounts solely to the extent they secure customary account fees and charges payable in respect of such depository accounts;

(k) non-consensual statutory Liens (other than Liens securing the payment of taxes or ERISA matters) arising in the ordinary course of a Loan Party or Subsidiary's business; provided, that, such Liens do not secure Indebtedness or any other amounts in excess of $1,000,000 in the aggregate which are past due;

(l) Liens arising from (i) operating leases with respect to assets which are not owned by any Loan Party or any Subsidiary and the precautionary UCC financing statement filings in respect thereof and (ii) equipment or other materials which are not owned by any Loan Party or Subsidiary located on the premises of such Loan Party or Subsidiary (but not in connection with, or as part of, the financing thereof) from time to time in the ordinary course of business and consistent with current practices of Loan Parties and their Subsidiaries and the precautionary UCC financing statement filings in respect thereof;

(m) judgments and other similar Liens arising in connection with court proceedings that do not constitute an Event of Default;

(n) Liens of a collection bank arising under Section 4-210 of the UCC on items in the course of collection;

(o) Liens in favor of customs and revenue authorities arising as a matter of law to secure custom duties which are not past due in connection with the importation of goods by Loan Parties or their Subsidiaries in the ordinary course of business;

(p) receipt of deposits and advances from customers in the ordinary course of business which may create an interest in the Inventory to be sold to such customers, but which do not constitute contractual Liens granted by a Loan Party or any Subsidiary; and

(q) Liens granted to secure Indebtedness permitted under Section 7.07(i) in connection with the financing of insurance premiums, provided, that, (i) such Liens shall not encumber any property other than the insurance policies in connection with which such insurance premium financing Indebtedness has been incurred and any return premiums and dividend payments with respect to such insurance policies, and (ii) such Liens shall in no event encumber any loss payments that are at any time payable to any Loan Party and/or to Agent (subject to Section 2.07(a)) under any such insurance policies; and

(r) Liens on assets described in clause (e) of the definition of Excluded Assets.

"Permitted Fixed Asset Financing" shall mean any Indebtedness permitted pursuant to Section 7.07(b).

"Permitted Holders" shall mean (a) [Ascribe], [Solace] and (b) any Affiliate of a person set forth in clause (a) of this definition.

"Person" shall mean any individual, sole proprietorship, partnership, corporation, company, business trust, joint stock company, trust, unincorporated organization, association, limited liability company, institution, public benefit corporation, joint venture, entity or government (whether federal, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof).

"Petition Date" shall have the meaning set forth in the recitals to this Agreement.

"PIK Interest Rate" shall mean, as of any date, the following percentage per annum corresponding to such date:

Date	PIK Interest Rate
Closing Date through 12 months after the Closing Date	7.00%
From such date through 12 months thereafter	9.00%
From such date through 12 months thereafter	11.00%
From such date through 12 months thereafter	13.00%

"Plan" shall mean any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of Loan Parties or any member of the Controlled Group or any such Plan to which any Loan Party or member of the Controlled Group is required to contribute on behalf of any of its employees.

"Plan of Reorganization" shall have the meaning set forth in the recitals to this Agreement.

"Platform" shall have the meaning set forth in Section 16.20.

"Pre-Petition Credit Agreement' shall have the meaning set forth in the recitals to this Agreement.

"Pre-Petition Commitments" shall have the meaning set forth in the recitals to this Agreement.

"Pre-Petition Lenders" shall have the meaning set forth in the recitals to this Agreement.

"Pre-Petition Agent" shall have the meaning set forth in the recitals to this Agreement.

"Prior Defaulting/Impacted Lender" shall mean, as of any date, a Lender that is not then a Defaulting Lender or an Impacted Lender but was a Defaulting Lender or an Impacted Lender at any time during the past 365 days.

"Pro Forma Balance Sheet" shall have the meaning set forth in Section 5.05(a).

"Public Lender" shall have the meaning set forth in Section 16.20.

"Purchasing Lender" shall have the meaning set forth in Section 16.03(c).

"Qualified Assignee" shall mean (a) any Lender (other than a Defaulting Lender, an Impacted Lender or a Prior Defaulting/Impacted Lender), any Controlled Affiliate of any Lender (other than a Defaulting Lender, an Impacted Lender or a Prior Defaulting/Impacted Lender) and any Approved Fund (other than with respect to a Defaulting Lender, an Impacted Lender or a Prior Defaulting/Impacted Lender); (b) any Person that is not described in the immediately preceding clause (a) that is organized under the laws of the United States or any state or district thereof, has total assets in excess of $5 billion, extends asset-based lending facilities in its ordinary course of business and whose becoming an assignee would not constitute a prohibited transaction under Section 4975 of ERISA or any other Applicable Law, and (c) any other Person consented to by the Required Lenders; provided, that neither any Loan Party nor any Affiliate of any Loan Party shall qualify as a Qualified Assignee unless consented to by the Required Lenders in their sole discretion.

"Qualified Plan" shall mean a Plan that is intended to be tax qualified under Section 401(a) of the Code.

"Questionnaire" shall mean each of the information certificates, each dated as of the date hereof, executed by each Loan Party in favor of the Agent.

"RCRA" shall mean the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as same may be amended from time to time.

"Real Property" shall mean all of each Loan Party's and each of their Subsidiary's right, title and interest in and to its owned and leased premises.

"Recipient" shall mean, as applicable, (a) the Agent and (b) any Lender, or any combination thereof (as the context requires).

"Receivables" shall mean and include, as to each Loan Party and each Subsidiary of each Loan Party, all of such Loan Party's and Subsidiary's Accounts, Contract Rights, instruments (including promissory notes and instruments evidencing indebtedness owed to Loan Parties and their Subsidiaries by their Affiliates), documents, chattel paper (whether tangible or electronic), general intangibles relating to Accounts, drafts and acceptances, and all other forms of obligations owing to such Loan Party and Subsidiary arising out of or in connection with the sale, lease or other disposition of Inventory or the rendition of services, all guarantees and other security therefor, whether secured or unsecured, now existing or hereafter created, and whether or not specifically sold or assigned to Agent hereunder.

"Release" shall have the meaning set forth in Section 5.07(c).

"Release Conditions" shall mean:

(a) no later than 12:00 noon New York, New York time, at least one Business Day prior to the desired release date, the Borrower shall have delivered to Agent a Notice of Release Request substantially in the form of Exhibit B, which Notice of Release Request shall constitute a representation and warranty that (a) all Release Conditions have been satisfied and (b) the funds will be used solely for purposes set forth in the Rolling Budget;

(b) each of the representations and warranties made by any Loan Party in or pursuant to this Agreement and any Other Document to which it is a party, and each of the representations and warranties contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any Other Document shall be true and correct in all material respects (without duplication of any materiality qualifiers already set forth therein; or in all respects with respect to representations and warranties made on the Closing Date) on and as of the date of the requested release as if made on and as of such date, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects (without duplication of any materiality qualifiers already set forth therein) on and as of such earlier date);

(c) no Event of Default or Default shall have occurred and be continuing on such date, or would exist after giving effect to the release requested to be made, on such date;

(d) the cash and Cash Equivalents of the Loan Parties that are not Restricted shall be less than $7,000,000 after giving pro forma effect to the requested release; and

(e) the Borrower shall have delivered to Agent a copy of resolutions of the board of directors (or equivalent authority) of Parent approving the requested release and the use of proceeds thereof.

"Reportable Event" shall mean a reportable event described in Section 4043(c) of ERISA or the regulations promulgated thereunder with respect to which the thirty (30) day notice requirement has not been waived.

"Required Lenders" shall mean (a) if there are three (3) or more Lenders, at least two (2) or more Lenders having Commitment Percentages (calculated under the definition of Commitment Percentages) the aggregate amount of which exceeds fifty (50%) percent, and (b) if there are either one (1) or two (2) Lenders, all Lenders.

"Responsible Officer" shall mean with respect to any Person, such Person's chief executive officer, president, chief operating officer, chief financial officer or other officer having substantially the same authority and responsibility with respect to the matters at hand (or having substantially the same knowledge of the contents of the certificate, document or other document being delivered).

"Restricted" means, when referring to cash or Cash Equivalents of the Loan Parties or any of their Subsidiaries, that such cash or Cash Equivalents appear (or would be required to appear) as "restricted" on a consolidated balance sheet of the Loan Parties or such Subsidiary (unless such appearance is related to this Agreement or the Other Documents (or the Liens created thereunder))

"Restricted Accounts" shall mean deposit accounts or other accounts (a) established and used (and at all times will be used) solely for the purpose of paying current payroll obligations of Loan Parties (and which do not (and will not at any time) contain any deposits other than those necessary to fund current payroll), in each case in the ordinary course of business, (b) maintained (and at all times will be maintained) solely in connection with an employee benefit plan, but solely to the extent that all funds on deposit therein are solely held for the benefit of, and owned by, employees (and will continue to be so held and owned) pursuant to such plan, and (c) used in the ordinary course of business for petty cash, the balance of which shall not exceed $50,000 in the aggregate at any time; provided, that, without limiting the foregoing, in order for any such deposit account or other account to constitute a "Restricted Account", such deposit or other account must be expressly designated as a "Restricted Account" on Schedule 5.23

(as such schedule may from time to time be updated in accordance with Section 5.23), which designation shall constitute a representation and warranty by each Loan Party that such deposit account or other account satisfies the criteria set forth in this definition to constitute a "Restricted Account".

"Restricted Asset" shall have the meaning as set forth in the definition of Excluded Assets.

"Restriction" shall have the meaning as set forth in the definition of Excluded Assets.

"Rolling Budget" means a projected balance sheet, income statement and cash flow statement for the Loan Parties and their Subsidiaries on a monthly basis, for the following 12 calendar months, including any anticipated use of the proceeds of Term Loans held in the Master Account for each month during such period, in form and substance reasonably satisfactory to the Lenders.

"Sanctioned Entity" shall mean (a) an agency of the government of, (b) an organization directly or indirectly controlled by, or (c) a person resident in, a country that is subject to a sanctions program identified on the list maintained and published by OFAC and available at or as otherwise published from time to time as such program may be applicable to such agency, organization or person.

"Sanctioned Person" shall mean a person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at or as otherwise published from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Secured Party" shall mean Agent and the Lenders; sometimes hereinafter collectively referred to as "Secured Parties".

"Senior Unsecured Notes" shall mean, collectively, the 9% Senior Unsecured Notes due 2019 in the original principal amount of $280,000,000, issued by Parent as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced (to the extent not prohibited by this Agreement).

"Solvent" shall mean, at any time with respect to any Person, that at such time such Person (a) is able to pay its debts as they mature and has (and has a reasonable basis to believe it will continue to have) sufficient capital (and not unreasonably small capital) to carry on its business consistent with its practices as of the date hereof, and (b) the assets and properties of such Person at a fair valuation (and including as assets for this purpose at a fair valuation all rights of subrogation, contribution or indemnification arising pursuant to any guarantees given by such Person) are greater than the Indebtedness of such Person, and including subordinated and contingent liabilities computed at the amount which, such Person has a reasonable basis to believe, represents an amount which can reasonably be expected to become an actual or matured liability (and including as to contingent liabilities arising pursuant to any guarantee the face amount of such liability as reduced to reflect the probability of it becoming a matured liability).

"Specified Real Property" shall have the meaning set forth in Section 4.17(a).

"Subordinated Debt" shall mean Indebtedness which is expressly subordinated in right of payment to the prior payment in full of the Obligations on terms reasonably acceptable to Agent and, if required by Agent in its sole discretion, pursuant to a subordination agreement entered into between the Person to whom such subordinated Indebtedness is owing and Agent, in form and substance satisfactory to Agent.

"Subscription Agent" shall mean Wilmington Trust, National Association, as subscription agent.

"Subsidiary" shall mean, with respect to any Person, a corporation, partnership, limited liability company or other entity of which such Person owns, directly or indirectly, such number of outstanding shares or other equity interests as to have more than fifty (50%) percent of the ordinary voting power for the election of directors or other managers of such corporation, partnership, limited liability company or other entity. Unless the context otherwise requires, each reference to Subsidiaries herein shall be a reference to Subsidiaries of Borrower.

"Target" shall have the meaning as set forth in the definition of Permitted Acquisition.

"Tax" or "Taxes" shall mean any tax, fee, premium, charge, duty, escheat or other amount imposed by a Governmental Body and any interest, penalty, or addition to tax imposed with respect thereto or any applicable law, treaty, regulation or directive.

"Tax Lien" shall have the meaning as set forth in the definition of Permitted Encumbrances.

"Term" shall mean the period commencing on the Closing Date and ending on the Termination Date.

"Term Commitment" shall mean, with respect to each Lender, its Term Commitment, and, with respect to all Lenders, their Term Commitments, in the aggregate amounts set forth beside such Lender's name under the applicable heading on Schedule C-1 or in the Commitment Transfer Supplement pursuant to which such Lender became a Lender hereunder, as such amounts may be reduced or increased from time to time pursuant to assignments made in accordance with the provisions of this Agreement.

"Term Loans" shall mean the loans made pursuant to Section 2.01.

"Term Note" shall have the meaning set forth in Section 2.01.

"Termination Date" shall have the meaning set forth in Section 13.01.

"Termination Event" shall mean (a) a Reportable Event with respect to any Plan or Multiemployer Plan; (b) the withdrawal of any Loan Party or any of their Subsidiaries or any member of the Controlled Group from a Plan or Multiemployer Plan during a plan year in which such entity was a "substantial employer" as defined in Section 4001(a)(2) of ERISA; (c) the providing of notice of intent to terminate a Plan in a distress termination described in Section 4041(c) of ERISA; (d) the institution by the PBGC of proceedings to terminate a Plan or Multiemployer Plan; (e) any event or condition (i) which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan or Multiemployer Plan, or (ii) that may result in termination of a Multiemployer Plan pursuant to Section 4041A of ERISA; or (f) the partial or complete withdrawal within the meaning of Sections 4203 and 4205 of ERISA, of any Loan Party, any Subsidiary thereof or any member of the Controlled Group from a Multiemployer Plan.

"Title Agent" shall mean A.S.A., Inc., or such other entity designated by the Agent and the Loan Parties as the respective sub-agent for the Agent and the Loan Parties for the limited purpose of dealing with any motor vehicle forms relating to or concerning titled vehicles.

"Title IV Plan" shall mean a Plan (other than a Multiemployer Plan), that is covered by Title IV of ERISA, and that any Loan Party or ERISA Affiliate maintains, contributes to or has an obligation to contribute to on behalf of participants who are or were employed by any of them.

"Toxic Substance" shall mean and include any material present on the Real Property or the leasehold interests which has been shown to have significant adverse effect on human health or which is subject to regulation under the Toxic Substances Control Act (TSCA), 15 U.S.C. §§ 2601 et seq., applicable state or other law, or any other applicable federal, state or other laws now in force or hereafter enacted relating to toxic substances. "Toxic Substance" includes but is not limited to asbestos, polychlorinated biphenyls (PCBs) and lead-based paints.

"Transferee" shall have the meaning set forth in Section 16.03(b).

"Transferee Register" shall have the meaning set forth in Section 16.03(b).

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York from time to time.

"Unfunded Pension Liability" shall mean, at any time, the aggregate amount, if any, of the sum of (a) the amount by which the present value of all accrued benefits under each Title IV Plan exceeds the fair market value of all assets of such Title IV Plan allocable to such benefits in accordance with Title IV of ERISA, all determined as of the most recent valuation date for each such Title IV Plan using the actuarial assumptions for funding purposes in effect under such Title IV Plan, and (b) for a period of five (5) years following a transaction which might reasonably be expected to be covered by Section 4069 of ERISA, the liabilities (whether or not accrued) that could be avoided by any Loan Party or any ERISA Affiliate as a result of such transaction.

"US Loan Party" shall mean a Loan Party organized, incorporated or otherwise formed under the laws of the United States or any State thereof or the District of Columbia.

"US Person" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

"US Subsidiary" shall mean a Subsidiary organized, incorporated or otherwise formed under the laws of the United States or any State thereof or the District of Columbia.

"US Tax Compliance Certificate" has the meaning assigned to such term in Section 16.03(f).

"Waterfall Event" shall mean the occurrence of (a) failure by Borrower to repay all of the Obligations as of the end of the Term or after the Obligations have been accelerated, or (b) an Event of Default and the election by the Agent or the Required Lenders to require that payments and proceeds of Collateral be applied pursuant to Section 11.02(b).

"Well Services Equipment" shall mean, collectively, (a) oil and natural gas well service rigs and related Equipment, motor vehicles (including, but not limited to, fluid trucks, heavy trucks, vacuum trucks and other rolling stock) and trailers (including but not limited to vacuum trailers) that are used in the ordinary course of Borrower's and Guarantors' well servicing business, and frac tanks designed to hold mud, water and other fluids that are a byproduct of the well drilling process.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

Section 1.03 Uniform Commercial Code Terms.

All terms used herein and defined in the UCC, including, the terms accessions, account debtor, certificated security, chattel paper, commercial tort claim, deposit account, document, electronic chattel paper, equipment, financial asset, fixtures, goods, health care insurance receivable, instrument, investment property, letter-of-credit rights, payment intangibles, proceeds, securities accounts, security, security entitlement, software, supporting obligations and uncertificated security, shall have the meaning given therein unless otherwise defined herein or unless the context provides otherwise.

Section 1.04 Certain Matters of Construction.

The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision. Each reference to a Section, an Exhibit or a Schedule shall be deemed to refer to a Section, an Exhibit or a Schedule, as applicable, of this Agreement unless otherwise specified. The terms "including" and other words of similar import refer to "including, but not limited" unless otherwise specified. Any pronoun used shall be deemed to cover all genders. Wherever appropriate in the context, terms used herein in the singular also include the plural and vice versa. All references to statutes (including the UCC) and related regulations shall include any amendments of same and any successor statutes and regulations. Unless otherwise provided, all references to any instruments or agreements, including, without limitation, references to this Agreement or any of the Other Documents, shall include any and all modifications or amendments thereto and any and all extensions or renewals thereof to the extent not prohibited by this Agreement or any Other Document. Unless otherwise provided, Dollar ($) baskets set forth in the representations and warranty, covenants and event of default provisions of this Agreement (and other similar baskets) are calculated as of each date of measurement by the Dollar Equivalents thereof as of such date of measurement. Once an Event of Default occurs, such Event of Default shall remain in existence and be continuing unless (a) waived in writing by the applicable Lenders and other Persons in accordance with Section 16.02 or (b) cured (if such Event of Default is capable of being cured) at any time prior to the date that Agent and/or Lenders exercise any rights and remedies whatsoever in respect of such Event of Default under this Agreement or the Other Documents, including, without limitation, (i) exercise of any rights and remedies under Article XI of this Agreement, (ii) Agent's delivery to Borrower or any Loan Party of notice of occurrence of such Event of Default, and (iii) the election of Agent or the Required Lenders under Section 3.01 that the outstanding Term Loans and all other Obligations shall bear interest at the Default Rate. If Agent and/or Lenders have exercised any rights and remedies, the subject Event of Default shall remain in existence and be continuing unless waived in writing by the applicable Lenders and other Persons in accordance with Section 16.02.

ARTICLE II
ADVANCES, PAYMENTS.

Section 2.01 Term Loans.

Subject to the terms and conditions set forth in this Agreement (including, without limitation, Article VIII), each Lender, severally and not jointly, agrees to make a simultaneous loan to Borrower on the Closing Date in the amount of such Lender's Term Commitment. Term Loans shall be funded by Lenders (as applicable) in Dollars and shall be repaid in Dollars. To the extent required by a

Lender, the Term Loan made by such Lender shall be evidenced by a promissory note in substantially the form attached hereto as Exhibit 2.01 (each, a "Term Note"; it being understood that no such promissory note shall include a grant of a Lien in favor of any individual Lender). [The Term Loans shall be fully funded on the Closing Date upon Agent's receipt of funds from Subscription Agent and all proceeds shall be used in accordance in Section 2.08.]

Section 2.02 Procedure for Borrowing.

(a) Borrower shall notify Agent of the request by Borrower to incur Term Loans hereunder. Such notice shall be in the form of the Notice of Borrowing Request attached hereto as Exhibit A and shall be required to be delivered by Borrower to Agent on or prior to 12:00 noon (New York time) on the Business Day that is one (1) Business Day prior to the date of such requested borrowing. Such notice shall include (A) the amount of such proposed borrowing, and (B) the date of such proposed borrowing (which must be a Business Day). [Each Lender shall make the amount of its Commitment Percentage available to Agent in immediately available funds in the Funding Account not later than 3:00 p.m., New York, New York time (or such shorter time as may be agreed by Agent), on the Closing Date. [NTD: Include mechanics in connection with subscription. Subject to further review by Agent]]

(b) At the option of the Borrower and upon three (3) Business Days' prior written notice to Agent, the Borrower may prepay the Term Loans in whole at any time or in part from time to time, without premium or penalty, but with accrued interest on the principal being prepaid to the date of such repayment.

Section 2.03 Disbursement of Term Loan Proceeds.

Term Loans shall be disbursed from whichever office or other place Agent or Lenders, as applicable, may designate prior to the disbursal. During the Term, the Borrower may request (solely on the Closing Date) and repay, but may not reborrow, Term Loans, all in accordance with the terms and conditions of this Agreement. The proceeds of Term Loans requested by the Borrower or deemed to have been requested by the Borrower under Section 2.02(a) shall, subject to the terms and conditions of this Agreement with respect to requested Term Loans, be made available to the Borrower on the Business Day so requested by way of wire transfer to the Borrower's designated bank account, in immediately available federal funds or other immediately available funds. Upon satisfaction of the applicable conditions set forth in Section 8.01 and funding of the Term Loans in accordance herewith, Agent shall apply the Term Loan proceeds for payment of fees and expenses then due and payable under Section 3.02 and the net of such applied amount shall be distributed by Agent in accordance with Section 2.08 and the written instructions from the Borrower in the form of a funds flow memorandum.

Section 2.04 Repayment of Term Loans.

(a) The Term Loans shall be due and payable in full on the Termination Date subject to earlier prepayment as herein provided.

(b) All payments (including prepayments) of principal, interest and other amounts payable hereunder and under each Other Document shall be made to Agent at the Payment Account set forth on Schedule 2.04(b) not later than 2:00 p.m. (New York time) on the due date therefor (or, if such due date is not a Business Day, on the next Business Day) in lawful money of the United States of America in funds immediately available to Agent. Any payment received by Agent subsequent to 2:00 p.m. (New York time) on any Business Day (regardless of whether such payment is due on such Business Day) shall be deemed received by Agent, and shall be applied to the applicable Obligations intended to be paid thereby, on the next Business Day.

(c) The Borrower shall pay principal, interest, and all other amounts payable hereunder and under each Other Document without any deduction whatsoever, including, but not limited to, any deduction for any setoff or counterclaim.

(d) If, notwithstanding the terms of this Agreement or any Other Document, Agent or any Lender receives any payment from or on behalf of Borrower or any other Loan Party in a currency other than Dollars, Agent or such Lender may convert the payment (including the monetary proceeds of realization upon any Collateral and any funds then held in a cash collateral account) into the Dollars at exchange rate selected by Agent or such Lender. Borrower shall reimburse Agent and Lenders on demand for all costs they incur with respect thereto. To the extent permitted by law, the obligation shall be satisfied only to the extent of the amount actually received by Agent upon such conversion.

Section 2.05 Statement of Account.

Agent shall maintain, in accordance with its customary procedures, a loan account record (the "Disbursement Account") in the name of the Borrower in which shall be recorded the date and amount of Term Loans made by Lenders and the date and amount of each payment in respect thereof; provided, however, that, the failure by Agent to record the date or amount of the Term Loans or any other item shall not adversely affect Agent or any Lender under this Agreement or any Other Document or diminish any obligation of any Loan Party under this Agreement or any Other Document. Upon request, Agent shall send to Borrower a statement showing the accounting for the Term Loans made, payments made or credited in respect thereof, and certain other transactions between Lenders and the Borrower. The statements shall be deemed correct and binding upon the Borrower in the absence of manifest error and shall constitute an account stated between Lenders and the Borrower unless Agent receives a written statement of the Borrower's specific exceptions thereto within thirty (30) days after such statement is received by Borrower. Subject to the preceding sentence, the records of Agent with respect to the Disbursement Account shall be conclusive evidence absent manifest error of the amounts of Term Loans and other charges thereto and of payments applicable thereto.

Section 2.06 Manner of Borrowing and Payment.

(a) The Term Loans shall be advanced according to the applicable Commitment Percentages of Lenders.

(b) All proceeds of Collateral, together with each payment (including each prepayment) by the Borrower on account of the principal of the Term Loans, shall be applied to the Term Loans pro rata according to the applicable Commitment Percentages of Lenders. Except as expressly provided herein, all payments (including prepayments) to be made by the Borrower on account of principal, interest and fees shall be made in Dollars without setoff or counterclaim and shall be made to Agent on behalf of the Agent and the Lenders to the Payment Account, in each case on or prior to the time specified in Section 2.04(b) in immediately available funds.

(c) If any Lender or Participant (a "Benefited Lender") shall at any time receive any payment of all or part of its Term Loan, or interest thereon, or receive any Collateral in respect thereof (whether voluntarily or involuntarily or by set-off) in a greater proportion than any such payment to and Collateral received by any other Lender, if any, in respect of such other Lender's Term Loan, or interest thereon, and such greater proportionate payment or receipt of Collateral is not expressly permitted hereunder, such Benefited Lender shall purchase for cash from the other Lenders a participation in such portion of each such other Lender's Term Loan, or shall provide such other Lender with the benefits of any such Collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such Collateral or proceeds ratably with each of the other Lenders according to their Commitment Percentages thereof; provided, however, that, if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. Each Lender so purchasing a portion of another Lender's Term Loan may exercise all rights of payment (including, without limitation, rights of set-off) with respect to such portion as fully as if such Lender were the direct holder of such portion.

(d) Unless Agent shall have been notified in writing, prior to the making of the Term Loans, by any Lender that such Lender will not make the amount which would constitute its applicable Commitment Percentage of the Term Loans available to Agent, Agent may (but shall not be obligated to) assume that such Lender shall make (and such Lender unconditionally shall be obligated to make) such amount available to Agent on demand and, in reliance upon such assumption, make available to the Borrower a corresponding amount. Agent will promptly notify Borrower of its receipt of any such notice from a Lender. If such amount is made available to Agent, such Lender shall pay to Agent on demand an amount equal to the product of (i) the daily average Federal Funds Rate (computed on the basis of a year of three hundred sixty (360) days) during such period as quoted by Agent, times (ii) such amount, times (iii) the number of days to the date on which such amount becomes immediately available to Agent. A certificate of Agent submitted to any Lender with respect to any amounts owing under this paragraph (d) shall be conclusive, in the absence of manifest error. If such amount is not in fact made available to Agent by such Lender within three (3) Business Days after request, Agent shall be entitled to recover such an amount, with interest thereon at the rate per annum then applicable to Term Loans hereunder, on demand from the Borrower; provided, however, that, Agent's right to such recovery shall not prejudice or otherwise adversely affect the Borrower's rights (if any) against such Lender.

Section 2.07 Mandatory Prepayments.

Notwithstanding the following, during a Waterfall Event, the order of application to the Obligations shall be made pursuant to Section 11.02(b) rather than as is provided in this Section 2.07.

(a) When any Loan Party or any of their Subsidiaries Disposes of any Collateral or other assets or receives proceeds of property or casualty insurance, within three (3) Business Days thereof, Loan Parties shall repay Term Loans in an amount equal to one hundred (100%) percent of the net cash proceeds of such sale (i.e., gross cash proceeds less the reasonable out-of-pocket costs and expenses in respect of such Dispositions (including any taxes and similar amounts)) or all of the cash proceeds of such insurance, as applicable, such repayments to be made promptly but in no event more than three (3) Business Days following receipt of such proceeds, and until the date of payment, such proceeds shall be held in trust for Agent. Such repayments shall be applied to the outstanding principal amount of the Term Loans until paid in full. Notwithstanding the foregoing, unless and until an Event of Default has occurred and is continuing or would result therefrom, such proceeds from Dispositions and insurance payments that do not exceed $5,000,000 in the aggregate in any fiscal year may be retained by Loan Parties solely to acquire replacement assets without making a mandatory prepayment hereunder so long as (1) the fair market value of the acquired assets is equal to or greater than the fair market value of the assets which were Disposed or subject to the insurance payment, as applicable, and (2) the acquired assets are purchased by the applicable Loan Party within one year of the Disposal of the assets or receipt of the insurance payment, as applicable. If a Loan Party fails to meet the conditions set forth above, Loan Parties shall pay the proceeds to Agent to the extent not utilized in such acquisitions as a repayment of any outstanding Term Loans. The provisions of this Section 2.07(a) shall not be deemed to be implied consent to any such Disposition otherwise prohibited by the terms and conditions of this Agreement or any Other Document.

(b) Within one (1) Business Day of the date of receipt by any Loan Party or any of its Subsidiaries of any Extraordinary Receipts that exceed $100,000 in the aggregate after the Closing Date, Borrower shall prepay the outstanding amount of the Term Loans in an amount equal to one hundred (100%) percent of such Extraordinary Receipts, net of any reasonable out of pocket fees and expenses incurred in collecting such Extraordinary Receipts. Such repayments shall be applied to the outstanding principal amount of the Term Loans until paid in full. The provisions of this Section 2.07(b) shall not be deemed to be implied consent to any event giving rise to such Extraordinary Receipts otherwise prohibited by the terms and conditions of this Agreement.

(c) Within one (1) Business Day of the receipt by any Loan Party or any of its Subsidiaries of the proceeds of any Indebtedness (other than Indebtedness permitted pursuant to Section 7.07), Borrower shall prepay the outstanding amount of the Term Loans in an amount equal to one hundred (100%) percent of such proceeds, net of any reasonable out of pocket fees and expenses related to the incurrence of such Indebtedness. Such repayments shall be applied to the outstanding principal amount of the Term Loans until paid in full. The provisions of this Section 2.07(c) shall not be deemed to be implied consent to the incurrence of Indebtedness otherwise prohibited by the terms and conditions of this Agreement.

(d) Within five (5) Business Days after the delivery of quarterly financial statements pursuant to Section 9.07, but in any event not later than sixty (60) days after the end of each fiscal quarter of the Loan Parties thereafter, Borrower shall prepay the outstanding amount of the Term Loans in an amount equal to the Excess Cash. Such repayments shall be applied to the outstanding principal amount of the Term Loans until paid in full.

(e) Except as otherwise provided herein, Borrower shall deliver to Agent, at the time of each prepayment required under this Section 2.07, (i) a certificate signed by a financial officer of Borrower setting forth in reasonable detail the calculation of the amount of such prepayment and (ii) to the extent reasonably practicable, at least three days' prior written notice of such prepayment. Each notice of prepayment shall specify the prepayment date and the principal amount of the Term Loans to be prepaid.

Section 2.08 **Use of Proceeds; Release from Master Account**.

(a) The Borrower shall use proceeds of the Term Loans hereunder only for: (i) the payment on account of the Senior Unsecured Notes in an amount equal to $20,000,000, (ii) the payment of costs, expenses and fees incurred on or prior to the Closing Date in connection with the preparation, negotiation, execution and delivery of this Agreement and the Other Documents and (iii) subject to satisfaction of the Release Conditions and Section 2.08(b), for general operating, working capital and other general corporate purposes of the Borrower not otherwise prohibited by the terms hereof.

(b) Notwithstanding anything to the contrary contained herein, the proceeds of Term Loans which are not used on the Closing Date for the purposes described in Section 2.08(a) shall be deposited solely into an interest bearing account of the Borrower satisfactory to the Agent (the "Master Account") and held in such account subject to satisfaction of the Release Conditions. Upon the receipt by Agent of a Notice of Release Request and the determination by the Required Lenders that the Release Conditions have been satisfied, the Agent shall release the funds on deposit in the Master Account in the amounts set forth in the appropriate Notice of Release Request; provided that, upon release from the Master Account such released funds may not be used for any purpose other than as set forth in the most recent Rolling Budget delivered to the Lenders pursuant to Section 9.11(a). The Master Account shall be subject to the Master Account Control Agreement and the release of funds held on deposit in the Master

Account shall be restricted and subject to the terms and conditions set forth in this Agreement and the Master Account Control Agreement.

(c) None of the proceeds of the Term Loans will be used, directly or indirectly, for the purpose of purchasing or carrying any margin security or for the purposes of reducing or retiring any Indebtedness which was originally incurred to purchase or carry any margin security or for any other purpose which might cause any of the Term Loans to be considered a "purpose credit" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, as amended.

Section 2.09 Defaulting Lender/Impacted Lender.

(a) Notwithstanding anything to the contrary contained herein, in the event any Lender (i) has become subject to a Bail-In Action, (ii) has refused (if the refusal constitutes a breach by such Lender of its obligations under this Agreement) to make available its portion of any Term Loans, (iii) notifies either Agent or Borrower that it does not intend to make available its portion of any Term Loans (if the actual refusal would constitute a breach by such Lender of its obligations under this Agreement), or (iv) failed to fund any payments required to be made by it under this Agreement or any Other Document (each, a "Lender Default"), all rights and obligations hereunder of such Lender (a "Defaulting Lender") as to which a Lender Default is in effect and of the other parties hereto shall be modified to the extent of the express provisions of this Section 2.09 while such Lender Default remains in effect. Notwithstanding the foregoing, no Lender Default shall be deemed to occur with respect to a Lender, and such Lender shall not constitute a Defaulting Lender hereunder, if such Lender notifies Agent and Borrower in writing that such Lender's refusal or failure to fund any Term Loan or any such payments required to be made by it hereunder is the result of such Lender's determination that one or more conditions precedent to funding as set forth in this Agreement (each of which conditions precedent, together with any applicable Default or Event of Default, shall be specifically identified in writing) has not been satisfied.

(b) The obligations of each Lender to make Term Loans shall continue to be based on their respective Commitment Percentages, and no Commitment Percentage of any Lender or any pro rata share of any Term Loans required to be advanced by any Lender shall be increased as a result of a Lender Default. Amounts received in respect of the Obligations owing to the Lenders shall be applied to reduce the applicable Obligations owing to each Lender that is not a Defaulting Lender prior to any such amounts being applied to reduce the Obligations owing to such Defaulting Lender to the extent that the aggregate amount of outstanding Obligations owing to such Defaulting Lender is less than what it would have been if such Lender Default did not occur.

(c) Notwithstanding anything set forth herein to the contrary, a Defaulting Lender shall not have any voting or consent rights, or be permitted to direct the Agent, under or with respect to this Agreement or any Other Document or constitute a "Lender" (or be included in the calculation of "Required Lenders" hereunder) for any voting or consent rights, or in directing the Agent, under or with respect to this Agreement or any Other Document; provided, that, the foregoing shall not permit (i) an increase in the principal amount of such Defaulting Lender's Term Commitment, (ii) the reduction of the principal of, rate of interest on (other than the waiver of any default rate) or fees payable with respect to any Term Loan of such Defaulting Lender or (iii) unless all other Lenders affected thereby are treated similarly, the extension of any scheduled (as opposed to mandatory prepayment) payment date or final maturity date of the principal among of any Term Loan of such Defaulting Lender.

(d) Other than as expressly set forth in this Section 2.09, the rights and obligations of a Defaulting Lender (including the obligation to indemnify Agent pursuant to Section 14.07) and the other parties hereto shall remain unchanged. Nothing in this Section 2.09 shall be deemed to release any

Defaulting Lender from its obligations under this Agreement and the Other Documents, shall alter such obligations, shall operate as a waiver of any default by such Defaulting Lender hereunder, or shall prejudice any rights which the Borrower, Agent or any Lender may have against any Defaulting Lender as a result of any default by such Defaulting Lender hereunder. At the option of Agent, any amount payable to a Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise) shall, in lieu of being distributed to such Defaulting Lender, be retained by Agent as cash collateral for funding obligations of the Defaulting Lender in respect of any Term Loan (including the obligation to indemnify Agent pursuant to Section 14.07). The Defaulting Lender's decision-making and participation rights and rights to payments hereunder shall be restored only upon the payment by the Defaulting Lender of its Commitment Percentage of any Obligations, any participation obligation, or expenses as to which it is delinquent, together with interest thereon at the rate set forth in Section 2.06(g) hereof from the date when originally due until the date upon which any such amounts are actually paid.

(e) In the event a Defaulting Lender retroactively cures to the satisfaction of Agent the breach which caused a Lender to become a Defaulting Lender, then, from and after the date on which such cure has been so effected, such Defaulting Lender shall no longer be a Defaulting Lender and shall be treated as a Lender that is not a Defaulting Lender under this Agreement.

(f) Agent may replace a Defaulting Lender or an Impacted Lender in accordance with Section 16.02(c).

Section 2.10 Interrelated Businesses.

Loan Parties hereby represent and warrant to Agent and Lenders that (a) Loan Parties and their respective Subsidiaries make up a related organization of various entities constituting a single economic and business enterprise so that Loan Parties and their respective Subsidiaries share an identity of interests such that any benefit received by any Loan Party or any Subsidiary of any Loan Party benefits each other Loan Party and each other Subsidiary of Loan Parties; (b) certain of Loan Parties and their respective Subsidiaries render services to or for the benefit of other Loan Parties and Subsidiaries, as the case may be, purchase or sell and supply goods to or from or for the benefit of the others, make loans, advances and provide other financial accommodations to or for the benefit of the other Loan Parties and Subsidiaries (including, inter alia, the payment by Loan Parties and Subsidiaries of creditors of the other Loan Parties and Subsidiaries and guarantees by Loan Parties and Subsidiaries of indebtedness of the other Loan Parties and Subsidiaries and provide administrative, marketing, payroll and management services to or for the benefit of the other Loan Parties and Subsidiaries), and (c) Loan Parties and their Subsidiaries have centralized accounting and legal service, common officers and directors and are identified to creditors as a single economic and business enterprise.

ARTICLE III
INTEREST AND FEES.

Section 3.01 Interest.

Interest on the Term Loans shall be (i) payable in cash to Agent for the benefit of Lenders in arrears on each January 1, April 1, July 1 and October 1 occurring prior to the Termination Date (commencing July 1, 2017) at a rate per annum equal to the Cash Interest Rate on the actual principal amount of Term Loans outstanding and (ii) capitalized and added to the principal amount of the Term Loans on the first (1^{st}) day of each calendar quarter (commencing July 1, 2017) at a rate per annum equal to the PIK Interest Rate on the actual principal amount of Term Loans outstanding; provided that such interest may, at the Borrower's election, be paid in cash, but only if the Borrower shall have notified the Agent in writing of the Borrower's intent to pay such interest in cash no later than three (3) Business

Days prior to the applicable interest payment date (in which case, to the extent paid in cash, such interest shall not be capitalized or added to the principal amount of the Term Loans in respect of such calendar quarter). At the election of Agent or the Required Lenders, upon and after the occurrence of an Event of Default (other than an Event of Default arising under Section 10.06), and automatically upon and after the occurrence of an Event of Default arising under Section 10.06, and in each case during the continuation of any such Event of Default, the Cash Interest Rate shall be increased by two (2) percentage points per annum (as applicable, the "Default Rate"). At the election of Agent or the Required Lenders, such Default Rate shall be applied retroactively to commence on the date of the first (1st) occurrence of the event giving rise to such Event of Default.

Section 3.02 Loan Fees.

(a) *Funding Fee*. The Borrower shall pay to the Agent on the Closing Date a Funding Fee in the amount of $3,000,000 (the "Funding Fee") for the benefit of the Lenders on the Closing Date according to their respective Commitment Percentages.

(b) *Other Fees*. The Borrower shall pay to Agent the other fees and amounts set forth in [the Backstop Agreement] and the Fee Letter (which fees in the case of the Fee Letter shall be for Agent's own account (and not for the account of any Lender)) in the amounts and at the times specified therein.

Section 3.03 Computation of Interest and Fees.

Interest and fees hereunder shall be computed on the basis of a year of three hundred sixty (360) days and for the actual number of days elapsed. If any payment to be made hereunder becomes due and payable on a day other than a Business Day, the due date thereof shall be extended to the next succeeding Business Day and interest thereon shall be payable at the Cash Interest Rate and the PIK Interest Rate, as applicable, during such extension. Interest shall accrue on each Term Loan for the day on which the Term Loan is made, and shall not accrue on a Term Loan, or any portion thereof, for the day on which the Term Loan or such portion is paid. Each determination by Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

Section 3.04 Maximum Charges.

In no event whatsoever shall interest and other charges charged hereunder exceed the highest rate permissible under law. In the event interest and other charges as computed hereunder would otherwise exceed the highest rate permitted under law, such excess amount shall be first applied to any unpaid principal balance owed by the Borrower, and if the then remaining excess amount is greater than the previously unpaid principal balance, Lenders shall promptly refund such excess amount to the Borrower and the provisions hereof shall be deemed amended to provide for such permissible rate.

Section 3.05 Increased Costs.

In the event that any applicable law, treaty or governmental regulation, or any change therein or in the interpretation or application thereof is effected after the Closing Date (provided, however, that, notwithstanding anything herein to the contrary, this Section 3.05 shall be deemed to apply to the Dodd-Frank Wall Street Reform and Consumer Protection Act and to The Basel III Accord published by The Basel Committee on Banking Supervision, and to all requests, rules, regulations, guidelines or directives under either of the foregoing or issued in connection therewith, regardless of the date enacted, adopted or issued, even if enacted, adopted or issued before the Closing Date), or compliance by any Lender (for purposes of this Section 3.05, the term "Lender" shall include Agent or any Lender and any corporation or bank controlling Agent or any Lender or any Subsidiary of Agent or any Lender) and the office or branch where any Lender makes or maintains any Term Loans with any request or directive (whether or not having the force of law) from any central bank or other financial, monetary or other authority, in each case adopted after the Closing Date, shall:

(a) subject any Lender to any tax (other than any Excluded Tax) of any kind whatsoever, as a result of a Change in Tax Law, with respect to this Agreement or any Other Document or change the basis of taxation of payments to any Lender of principal, fees, interest or any other amount payable in respect thereof (except for changes in any Excluded Tax);

(b) impose, modify or hold applicable any reserve, special deposit, assessment or similar requirement against assets held by, or deposits in or for the account of, advances or loans by, or other credit extended by, any office of any Lender, including (without limitation) pursuant to Regulation D of the Board of Governors of the Federal Reserve System; or

(c) impose on any Lender any other condition with respect to this Agreement or any Other Document;

and the result of any of the foregoing is to increase the cost to any Lender of making, renewing or maintaining its Term Loans hereunder or to reduce the amount of any payment (whether of principal, interest or otherwise) in respect of any of the Term Loans or the Lender's overall capital, then, in any case the Borrower shall promptly pay such Lender, upon its demand, such additional amount as will compensate such Lender for such additional cost or such reduction, as the case may be. Such Lender shall certify the amount of such additional cost or reduced amount to Borrower and Agent, and such certification shall be conclusive absent manifest error. Notwithstanding anything to the contrary in this Section 3.05, Loan Parties shall not be required to compensate a Lender pursuant to this Section 3.05 for any amounts incurred more than one hundred eighty (180) days prior to the date that such Lender notifies Borrower of such Lender's intention to claim compensation therefor; provided, that, if the circumstances giving rise to such claim have a retroactive effect, then such one hundred eighty (180) day period shall be extended to include the period of such retroactive effect.

If any Lender requests compensation under this Section 3.05, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking such Lender's Term Loans or to assign its rights and obligations hereunder to another of its offices, branches or affiliates if, in the judgment of Agent, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to this Section 3.05 in the future, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. Borrower hereby agrees to pay all reasonable costs and expenses incurred by Agent or such Lender in connection with any such designation or assignment.

Section 3.06 **Capital Adequacy**.

(a) In the event that any Lender (for purposes of this Section 3.06, the term "Lender" shall include Agent or any Lender and any corporation or bank controlling Agent or any Lender) shall have determined that any applicable law, rule, regulation or guideline regarding capital adequacy in effect on the Closing Date, or any change therein effected after the Closing Date, or any change in the interpretation or administration thereof by any Governmental Body, central bank or other financial, monetary or other authority, in each case adopted after the Closing Date, charged with the interpretation or administration thereof, or compliance by any Lender and the office or branch where any Lender (as so defined) makes or maintains any Term Loans with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on any Lender's capital as a consequence of its obligations hereunder to a level below that which such Lender could have achieved but for such adoption, change or compliance (taking into consideration each Lender's policies with respect to capital adequacy), then, from time to time, the Borrower shall pay upon demand to such Lender such additional amount or amounts as will compensate such Lender for such reduction; provided, however, that, notwithstanding anything herein to the contrary, this Section 3.06 shall be deemed to apply to the Dodd-Frank Wall Street Reform and Consumer Protection Act and to The Basel III Accord published by The Basel Committee on Banking Supervision, and to all requests, rules, regulations, guidelines or directives under either of the foregoing or issued in connection therewith, regardless of the date enacted, adopted or issued, even if enacted, adopted or issued before the Closing Date. In determining such amount or amounts, such Lender may use any reasonable averaging or attribution methods. Such Lender shall certify the amount of such reduction and provide a reasonably detailed calculation thereof to Borrower and Agent. Notwithstanding anything to the contrary in this Section 3.06, Loan Parties shall not be required to compensate a Lender pursuant to this Section 3.06 for any amounts incurred more than one hundred eighty (180) days prior to the date that such Lender notifies Borrower of such Lender's intention to claim compensation therefor; provided, that, if the circumstances giving rise to such claim have a retroactive effect, then such one hundred eighty (180) day period shall be extended to include the period of such retroactive effect. The protection of this Section 3.06 shall be available to each Lender regardless of any possible contention of invalidity or inapplicability with respect to the applicable law, regulation or condition.

(b) A certificate of such Lender setting forth such amount or amounts as shall be necessary to compensate such Lender with respect to Section 3.06(a) when delivered to Borrower and Agent shall be conclusive absent manifest error.

Section 3.07 Withholding Taxes.

Except as otherwise required by law and subject to Section 16.03, each payment by the Borrower or the Guarantors under this Agreement or the Other Documents shall be made without withholding or deduction for or on account of any present or future Taxes or Charges. If any such withholding or deduction for Taxes or Charges is so required, the Borrower or the Guarantors, as applicable, shall promptly upon becoming aware that such withholding or deduction is necessary, notify the Agent and shall make the withholding or deduction, pay the amount withheld to the appropriate Governmental Body before penalties attach thereto or interest accrues thereon and except with respect to Excluded Taxes forthwith pay such additional amount as may be necessary to ensure that the net amount actually received by Agent and each Lender free and clear of such taxes (including such taxes on such additional amount) is equal to the amount which that Agent or such Lender (as the case may be) would have received had such withholding or deduction not been made. Within thirty (30) days of paying any amount withheld or deducted on account of tax, the Borrower shall deliver to the Agent evidence (reasonably satisfactory to the Agent) that the appropriate payment has been paid to the relevant tax authority. If the Agent or any Lender pays any amount in respect of any such Taxes (other than Excluded Taxes), the Borrower and the Guarantors shall reimburse the Agent or such Lender for that payment on demand in the currency in which such payment was made. If the Borrower or the Guarantors pay any such Taxes, it shall deliver official tax receipts evidencing that payment or certified copies thereof to the Agent or Lender on whose account such withholding was made (with a copy to the Agent if not the recipient of the original) on or before the thirtieth (30th) day after payment.

ARTICLE IV
GRANT OF SECURITY INTEREST; COLLATERAL COVENANTS.

Section 4.01 Security Interest in the Collateral.

To secure the prompt payment and performance of all of the Obligations to each Secured Party, each Loan Party hereby collaterally assigns, pledges and grants to Agent, for the ratable benefit of each Secured Party, a continuing Lien in and to all of its Collateral, whether now owned or existing or hereafter acquired or arising and wheresoever located.

Section 4.02 **Perfection of Security Interest**.

(a) Except as set forth herein, each Loan Party shall take all action that may be necessary or desirable, or that Agent may request, so as at all times to maintain the validity, perfection, enforceability and priority of Agent's Lien in the Collateral to the extent required by this Agreement or any Other Documents. Without limiting the generality of the foregoing, in the case of each item of Well Services Equipment consisting of titled motor vehicles, each Loan Party shall (i) promptly after acquiring such title, arrange for the notation of Agent's first priority Lien thereon and, if requested by Agent, shall provide Agent with evidence reasonably satisfactory to Agent that such title has been submitted to the applicable state motor vehicle department (or equivalent state Governmental Body), and (ii) after such Loan Party shall have received such title noting Agent's first priority Lien thereon, shall promptly deliver such title to Agent or, at Agent's direction, to the Title Agent. Notwithstanding the foregoing, (A) Loan Parties shall not be required to deliver titles to Agent or Title Agent, or arrange for the notation of Agent's first priority Lien on such titles, with respect to (1) light duty pickup trucks, passenger cars and smaller trailers except upon Agent's request, which request may be made by Agent, in its sole discretion, at any time following the Closing Date, or (2) titled motor vehicles which are financed or subject to a Capital Lease or Permitted Fixed Asset Financing and are secured by Permitted Encumbrances set forth in subsection (f) of the definition of Permitted Encumbrances, and so long as the applicable agreements governing any Permitted Fixed Asset Financing permit the notation of Agent's second priority Lien on the titled motor vehicles which are subject to such Permitted Fixed Asset Financing, then the Loan Parties shall arrange for the notation of Agent's second priority Lien (and not a first priority Lien) on the titles to such motor vehicles, provided, that, Loan Parties shall be required to deliver titles to Agent or Title Agent and arrange for the notation of Agent's first priority Lien thereon with respect to titled motor vehicles described in this clause (A)(2) promptly after the financing or Capital Lease with respect thereto has been paid and satisfied in full, other than as a result of a refinancing thereof permitted by Section 7.07(b), and (B) Agent's Lien on any titled motor vehicles which are subject to a Permitted Fixed Asset Financing shall be subject to the senior and prior Lien thereon held by the Person who has provided the Permitted Fixed Asset Financing with respect to such titled motor vehicles. All titles for such Well Services Equipment consisting of titled motor vehicles (except as provided above) will be held in the possession of Agent or its bailee, for the benefit of Agent.

(b) Agent may, and each Loan Party hereby irrevocably authorizes Agent to, at any time and from time to time file in any relevant jurisdiction in accordance with Section 9-509 of the UCC, financing statements and amendments thereto that describe the Collateral as "all assets" (other than Excluded Assets as defined) or similar language of the applicable Loan Party and which contain any other information required by the UCC for the sufficiency or filing office acceptance of any financing statements, continuation statements or amendments. Each Loan Party agrees to furnish any such information to Agent promptly upon request. Each Loan Party further irrevocably authorized Agent to file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Agent's Lien granted by each Loan Party without the signature of any Loan Party, and naming any Loan Party or the Loan Parties as debtors and Agent as secured party. Agent's Lien is granted as security only and shall not subject Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Loan Party with respect to or arising out of the Collateral. Notwithstanding anything to the contrary contained herein or in any Other Document, Agent shall have no responsibility for the preparing, recording, filing, re-recording or re-filing of any financing statements (amendments or continuations) or other instruments in any public office, or for otherwise maintaining the perfection of the Agent's Lien granted hereunder.

(c) Each Loan Party shall, at any time and from time to time, take such steps as Agent may request to (i) obtain an acknowledgment, in form and substance reasonably satisfactory to Agent, of any bailee having possession of any of the Collateral, stating that the bailee holds such Collateral for Agent, (ii) obtain "control" of any letter-of-credit rights, deposit accounts (other than Restricted Accounts) or electronic chattel paper (as such terms are defined in the UCC with corresponding provisions thereof defining what constitutes "control" for such items of Collateral), with any agreements establishing control to be in form and substance reasonably satisfactory to Agent, and (iii) otherwise ensure the continued perfection and priority of Agent's Liens in any of the Collateral for the benefit of the Secured Parties and of its rights therein. If any Loan Party shall at any time, acquire a "commercial tort claim" (as such term is defined in the UCC) in excess of Five Hundred Thousand ($500,000) Dollars, such Loan Party shall promptly notify Agent thereof in writing (which notice shall be deemed to be an update of Schedule 5.08(b)), therein providing a reasonable description and summary thereof, and upon delivery thereof to Agent, such Loan Party shall be deemed to thereby have granted to Agent, for the ratable benefit of each Secured Party (and each Loan Party hereby grants to Agent, for the ratable benefit of each Secured Party) a Lien in and to each such commercial tort claim and all proceeds thereof, all upon the terms of and governed by this Agreement to secure the prompt payment and performance of all of the Obligations.

(d) Each Loan Party hereby confirms and ratifies all UCC financing statements filed in favor of Agent with respect to such Loan Party on or prior to the date of the Agreement.

(e) All charges, expenses and fees Agent may incur in doing any of the foregoing shall be paid by Loan Parties to Agent promptly upon demand.

Section 4.03 Preservation of Collateral.

Following the occurrence and during the continuance of an Event of Default, in addition to the rights and remedies set forth in Section 11.01, Agent: (a) may at any time take such steps as Agent deems necessary or appropriate to protect Agent's Lien in and to preserve the Collateral, including, without limitation, the hiring of such security guards or the placing of other security protection measures as Agent may deem appropriate; (b) may employ and maintain at any Loan Party's premises a custodian who shall have full authority to do all acts necessary to protect Agent's interests in the Collateral; (c) may lease warehouse facilities to which Agent may move all or part of the Collateral; (d) may use any Loan Party's owned or leased lifts, hoists, trucks and other facilities or equipment for handling or removing the Collateral; (e) shall have, and is hereby granted, a right of ingress and egress to the places where the Collateral is located, and may proceed over and through any Loan Party's owned or leased property; and (f) shall have a non-exclusive, royalty-free, license to use each Loan Party's Intellectual Property for the purposes of the completion, processing and sale of such Loan Party's Inventory and other assets. At such time, each Loan Party shall cooperate fully with all of Agent's commercially reasonable efforts to preserve the Collateral and will take such actions to preserve the Collateral as Agent may direct in connection therewith. All of Agent's expenses (including fees, disbursements and expenses of counsel) of preserving the Collateral, including, without limitation, any expenses relating to any actions by Agent described in this Section 4.03, may, at the election of the Agent, be charged to the Disbursement Account and added to the Obligations.

Section 4.04 Ownership and Location of Collateral.

(a) At the time the Collateral becomes subject to Agent's Lien, each Loan Party shall be the sole owner of and fully authorized and able to sell, transfer, pledge and/or grant a first priority Lien (subject to Permitted Encumbrances) in each and every item of its respective Collateral to Agent; and the Collateral shall be free and clear of all Liens and encumbrances whatsoever, except for (i) Permitted Encumbrances, and (ii) in the case of Collateral acquired by a Loan Party pursuant to a Capital Lease or Permitted Fixed Asset Financing, so long as such Capital Lease or Permitted Fixed Asset Financing remains in effect, any restrictions with respect to the sale, transfer, pledge of and/or grant of a Lien in such Collateral as may be set forth in such Capital Lease or Permitted Fixed Asset Financing.

(b) Each Loan Party's books and records shall be located at one of the locations set forth on Schedule 4.04 (as such Schedule may from time to time be updated in accordance with Section 7.17) and shall not be removed from such location(s) without the prior written consent of Agent. Loan Parties shall provide prompt written notice to Agent following removal of any Well Services Equipment to any location outside of the United States.

Section 4.05 **Defense of Agent's and Lenders' Interests**.

Until all of the Obligations have been Paid in Full, Agent's Liens in the Collateral shall continue in full force and effect. For so long as Agent's Liens in the Collateral continue in full force and effect, no Loan Party shall, without Agent's prior written consent, pledge, assign, transfer, create, charge or suffer to exist a Lien upon any part of the Collateral, except for Permitted Encumbrances. Each Loan Party shall defend Agent's Liens in the Collateral against any and all Persons whatsoever. At any time following demand by Agent for payment of all Obligations in accordance with Section 11.01, in addition to and not in limitation of Agent's rights and remedies set forth in Section 11.01: (a) Agent shall have the right to take possession of the indicia of the Collateral and the Collateral, (b) Loan Parties shall, upon Agent's demand, assemble the Collateral in the best manner possible and make it available to Agent at a place reasonably convenient to Agent, and (c) upon demand by Agent each Loan Party shall, and Agent may, at its option, instruct all suppliers, carriers, forwarders, warehouses or others receiving or holding cash, checks, Inventory, documents or instruments of such Loan Party to deliver same to Agent (or any Person designated by Agent) and/or subject to Agent's order and if they shall come into any Loan Party's possession, all such Collateral shall be held by such Loan Party in trust as Agent's trustee, and such Loan Party will immediately deliver such Collateral to Agent (or any Person designated by Agent) in their original form, together with any necessary endorsement.

Section 4.06 **Books and Records**.

Each Loan Party shall, and shall cause each of its Subsidiaries to, (a) keep proper books of record and account in which complete and accurate entries will be made of all dealings or transactions of or in relation to its business and affairs; (b) set up on its books accruals with respect to all taxes, assessments, charges, levies and claims; and (c) on a reasonably current basis set up on its books, from its earnings, allowances against doubtful Receivables, advances and investments and all other proper accruals (including without limitation by reason of enumeration, accruals for premiums, if any, due on required payments and accruals for depreciation, obsolescence, or amortization of properties), which should be set aside from such earnings in connection with its business. All determinations pursuant to this subsection shall be made in accordance with, or as required for reporting by, GAAP consistently applied.

Section 4.07 **Financial Disclosure**.

Each Loan Party hereby irrevocably authorizes and directs all Accountants and auditors employed by such Loan Party at any time during the Term to exhibit and deliver to Agent copies of any of such Loan Party's and each of its Subsidiaries' financial statements, trial balances or other accounting records of any sort in the Accountant's or auditor's possession, and to disclose to Agent any information such Accountants may have concerning such Loan Party's and each of its Subsidiaries' financial status and business operations. Each Loan Party hereby authorizes all federal, state and municipal authorities to furnish to Agent copies of reports or examinations relating to such Loan Party or to any of its Subsidiaries, whether made by such Loan Party or otherwise. Notwithstanding the foregoing authorization, so long as no Default or Event if Default is in existence, Agent will attempt to obtain such information or materials directly from such Loan Party prior to obtaining such information or materials from such Accountants, auditors or such authorities.

Section 4.08 Compliance with Laws.

Each Loan Party shall, and shall cause each of its Subsidiaries to, comply in all respects with all acts, rules, regulations and orders of any Governmental Body applicable to its respective Collateral or any part thereof or to the operation of such Person's business the non-compliance with which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Loan Party may, however, contest or dispute any acts, rules, regulations, orders and directions of those bodies or officials in any reasonable manner. The Collateral at all times shall be maintained in accordance in all material respects with the requirements of all insurance carriers which provide insurance with respect to the Collateral so that such insurance shall remain in full force and effect.

Section 4.09 Inspection of Premises/Appraisals.

At any time during the existence of an Event of Default, and otherwise at all reasonable times during normal business hours, Agent (and in the discretion of the Required Lenders, each Lender, at its sole cost and expense) shall have the right, at Borrower's expense, (a) to audit, check, inspect and make abstracts and copies from each Loan Party's books, records, audits, correspondence and all other papers relating to the Collateral and the operation of each Loan Party's business and (b) to enter, or to have their agents enter, upon any Loan Party's premises at any time during business hours and at any other reasonable time, and from time to time, for the purpose of inspecting the Collateral (and/or with respect to Agent (and Persons designated by Agent) appraising the Collateral) and any and all records pertaining thereto and the operation of such Loan Party's business. Notwithstanding anything to the contrary contained herein, such field examinations shall be conducted (A) at Borrower's expense, on two (2) occasions in any twelve (12) month period following the Closing Date, and (B) so long as no Event of Default shall have occurred and be continuing, at Lenders' expense to the extent in excess of such two (2) occasions in any twelve (12) month period following the Closing Date; except, that, after the occurrence and during the continuance of an Event of Default, Agent shall have the right to conduct field examinations at any time and from time to time, in each case at Borrower's expense.

Section 4.10 Insurance.

Each Loan Party shall bear the full risk of any loss of any nature whatsoever with respect to the Collateral. At each Loan Party's own cost and expense, each Loan Party shall, and shall cause each of its Subsidiaries to, maintain insurance in amounts, types and with carriers in each case acceptable to Agent; provided, that, the Loan Parties' present insurance coverage and coverage reasonably consistent with that coverage existing on the date hereof shall be considered acceptable by Agent. Without limiting the foregoing, each Loan Party shall, and shall cause each of its Subsidiaries to, (a) keep all its insurable properties insured against the hazards of fire, flood, those hazards covered by extended coverage insurance and such other hazards, and for such amounts, not less than as is customary in the case of companies engaged in businesses similar to such Loan Party's business; (b) maintain normal and customary liability insurance against claims for personal injury, death or property damage suffered by others, consistent with past practice; and (c) maintain normal and customary consistent with past practice all such worker's compensation or similar insurance as may be required under the laws of any state or jurisdiction in which Loan Party is engaged in business. Each Loan Party shall (i) furnish Agent with copies of all policies and evidence of the maintenance of such policies required hereby upon the request of Agent and (ii) cause all such policies to include appropriate loss payable endorsements, and/or additional insured endorsements, in form and substance reasonably satisfactory to Agent, providing with respect to loss payable endorsements that (A) except as set forth below, all proceeds thereunder shall be payable to Agent, (B) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy, and (C) that such policy and loss payable clauses may not be cancelled, amended or terminated unless at least thirty (30) days' prior written notice is given to Agent (or such shorter period as Agent may agree). If any insurance losses are paid by check, draft or other instrument payable to any Loan Party and Agent jointly, Agent may endorse such Loan Party's name thereon and do such other things as Agent may deem advisable to reduce the same to cash and apply the same in accordance with this Agreement. Notwithstanding the foregoing, any Person who has provided Permitted Fixed Asset Financing with respect to any Equipment or any Person who is a lessor under any Capital Lease or operating lease permitted hereunder may be listed, together with Agent, as loss payee and additional insured under such insurance policies and proceeds thereunder shall be payable to such Person and Agent as their respective interests shall appear (it being understood that the interests of such Person in such insurance proceeds shall be senior to Agent's interest therein so long as the Permitted Fixed Asset Financing provided by such Person remains outstanding or such Capital Lease or operating lease remains in effect).

Section 4.11 Failure to Pay Insurance.

If any Loan Party fails to obtain insurance as hereinabove provided, or to keep the same in force, Agent, at its option, may, but shall not be obligated to, obtain such insurance and pay the premium therefor from the Disbursement Account and such expenses so paid shall be part of the Obligations.

Section 4.12 Payment of Taxes.

Each Loan Party shall, and shall cause each of its Subsidiaries to, pay, when due, all federal, state and other material Taxes and all Charges lawfully levied or assessed upon such Person or any of the Collateral or otherwise in connection with this Agreement and any Other Document, except for those Taxes and Charges that are being contested in good faith by appropriate proceedings diligently pursued and available to such Loan Party, which proceedings (or orders entered in connection with such proceedings) stay the forfeiture or sale of, or other enforcement against, the property subject to any such Taxes or Charges and with respect to which adequate accruals have been set aside on the books of such Loan Party in accordance with GAAP consistently applied. If any Taxes or Charges remain unpaid after the date fixed for their payment, or if any claim shall be made which, in Agent's opinion, may possibly create a valid Lien on the Collateral (which is not otherwise a Permitted Encumbrance), Agent may, but shall not be obligated to, without notice to Loan Parties pay such Taxes or Charges and each Loan Party hereby indemnifies and holds Agent and each Lender harmless in respect thereof. The amount of any payment by Agent under this Section 4.12 may, at the election of Agent, be charged to the Disbursement Account and added to the Obligations and, until Loan Parties shall furnish Agent with an indemnity therefor (or supply Agent with evidence satisfactory to Agent that due provision for the payment thereof has been made), Agent may hold without interest any balance standing to Loan Parties' credit and Agent shall retain its Lien in any and all Collateral held by Agent.

Section 4.13 Payment of Leasehold Obligations.

Each Loan Party shall, and shall cause each of its Subsidiaries to, at all times pay, when and as due, its rental obligations under all leases under which it is a tenant, and shall otherwise comply, in all material respects, with all other terms of such leases and keep them in full force and effect and, at Agent's request will provide evidence of having done so, except, in each case, where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 4.14 **Accounts and other Receivables**.

(a) *Locations of Chief Executive Office*. Each Loan Party's chief executive office is located at the addresses set forth on Schedule 4.14(a) (as such schedule may from time to time be updated in accordance with Section 7.17). Until written notice is given to Agent by the Borrower of any other office at which any Loan Party keeps its records pertaining to Accounts and the other Receivables, all such records shall be kept at such executive office or otherwise as set forth on Schedule 4.14(c).

(b) *Power of Agent to Act on Loan Parties' Behalf*. After the occurrence and during the continuance of an Event of Default, Agent shall have the right to receive, endorse, assign and/or deliver in the name of Agent or any Loan Party any and all checks, drafts and other instruments for the payment of money relating to the Accounts and other Receivables of each Loan Party, and each Loan Party hereby waives notice of presentment, protest and non-payment of any instrument so endorsed. Each Loan Party hereby constitutes Agent or Agent's designee as such Loan Party's attorney with power (i) at any time, to send verifications of Accounts and other Receivables of each such Loan Party to any Customer or Person; (ii) at any time, to sign such Loan Party's name on all documents or instruments deemed necessary or appropriate by Agent to preserve, protect, or perfect Agent's interest in the Collateral and to file same, if such Loan Party shall have failed to promptly execute and deliver any such documents or instruments following Agent's request therefor pursuant to Section 4.02(c); (iii) after the occurrence and during the continuance of an Event of Default, to demand payment of the Accounts and other Receivables of each such Loan Party; (iv) after the occurrence and during the continuance of an Event of Default, to enforce payment of the Accounts and other Receivables of each such Loan Party by legal proceedings or otherwise; (v) after the occurrence and during the continuance of an Event of Default, to exercise all of Loan Parties' rights and remedies with respect to the collection of the Accounts, Receivables and any other Collateral; (vi) after the occurrence and during the continuance of an Event of Default, to settle, adjust, compromise, extend or renew the Accounts and other Receivables of each such Loan Party; (vii) after the occurrence and during the continuance of an Event of Default, to settle, adjust or compromise any legal proceedings brought to collect Accounts and other Receivables of each such Loan Party; (viii) after the occurrence and during the continuance of an Event of Default, to prepare, file and sign such Loan Party's name on a proof of claim in bankruptcy or similar document against any Customer or any other Person obligated with respect to an Account or other Receivable of each such Loan Party; (ix) to prepare, file and sign such Loan Party's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Accounts and other Receivables of each such Loan Party; and (x) after the occurrence and during the continuance of an Event of Default, to do all other acts and things necessary to carry out this Agreement. All acts of said attorney or designee are hereby ratified and approved, and said attorney or designee shall not be liable for any acts of omission or commission nor for any error of judgment or mistake of fact or of law, unless done maliciously or with gross (not mere) negligence, as determined pursuant to a final, non-appealable order of a court of competent jurisdiction; this power being coupled with an interest is irrevocable at all times until all of the Obligations have been Paid in Full. Agent shall have the right at any time following the occurrence and during the continuance of an Event of Default, to change the address for delivery of mail addressed to any Loan Party to such address as Agent may designate and to receive, open and dispose of all mail addressed to any Loan Party.

(c) *No Liability*. Neither Agent nor any Lender shall, except in the event of its gross negligence or willful misconduct, have any liability for any error or omission or delay of any kind occurring in the settlement, collection or payment of any of the Accounts, other Receivables or any instrument received in payment thereof, or for any damage resulting therefrom. Following the occurrence and at any time during the continuance of an Event of Default, Agent may, without notice or consent from any Loan Party, sue upon or otherwise collect, extend the time of payment of, compromise or settle for cash, credit or upon any terms any of the Accounts, other Receivables or any other securities, instruments or insurance applicable thereto and/or release any obligor thereof. Agent is authorized and empowered to accept following the occurrence and during the continuance of an Event of Default the return of the goods represented by any of the Accounts and other Receivables, without notice to or consent by any Loan Party, all without discharging or in any way affecting any Loan Party's liability hereunder.

(d) *Adjustments*. After the occurrence and during the continuance of an Event of Default, no Loan Party will, without Agent's consent, compromise or adjust any Accounts or other Receivables (or extend the time for payment thereof) of any such Loan Party or accept any returns of merchandise or grant any additional discounts, allowances or credits thereon except for those compromises, adjustments, returns, discounts, credits and allowances in the ordinary course of business.

Section 4.15 Maintenance of Equipment.

Subject to the reduced levels of maintenance applicable to stacked equipment as existing during the industry downturn, all Well Services Equipment and other Equipment used or useful in the conduct of any Loan Party's business shall be maintained in good operating condition and repair (reasonable wear and tear excepted) and all necessary replacements of and repairs thereto shall be made so that the value and operating efficiency of such Well Services Equipment and other Equipment shall be maintained and preserved (reasonable wear and tear excepted). Each Loan Party shall use or operate Well Services Equipment and other Equipment in compliance with Section 4.08. No Loan Party shall sell or otherwise Dispose of any of its Well Services Equipment or other Equipment, except to the extent set forth in Section 7.01.

Section 4.16 Exculpation of Liability.

Nothing herein contained shall be construed to constitute Agent or any Lender as any Loan Party's agent for any purpose whatsoever, nor shall Agent or any Lender be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof. Neither Agent nor any Lender, whether by anything herein or in any assignment or otherwise, assumes any of Loan Party's obligations under any contract or agreement to which it is a party, and neither Agent nor any Lender shall be responsible in any way for the performance by Loan Party of any of the terms and conditions thereof.

Section 4.17 Environmental Matters.

(a) Loan Parties shall ensure that any parcel of Real Property having a fair market value in excess of Two Million Five Hundred Thousand ($2,500,000) Dollars ("Specified Real Property") remains in compliance with all Environmental Laws and they shall not place or permit to be placed any Hazardous Substances on any such Real Property, except as not prohibited by applicable law or appropriate Governmental Body and except where any such noncompliance or placement could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(b) Loan Parties shall assure and monitor continued compliance with all applicable Environmental Laws, except where any failure to comply could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(c) Loan Parties shall (i) employ in connection with the use of any Specified Real Property appropriate technology necessary to maintain compliance with any applicable Environmental Laws, except where any such noncompliance could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect and (ii) dispose of any and all Hazardous Waste generated at such Specified Real Property only at facilities and with carriers that maintain valid permits under RCRA and any other applicable Environmental Laws, except where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Loan Parties shall use their best efforts to obtain certificates of disposal, such as hazardous waste manifest receipts, from all treatment, transport, storage or disposal facilities or operators employed by Loan Parties in connection with the transport or disposal of any Hazardous Waste generated at such Specified Real Property, except where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(d) In the event any Loan Party obtains, gives or receives notice of any Release or threat of Release of a reportable quantity of any Hazardous Substances at any Specified Real Property (any such event being hereinafter referred to as a "Hazardous Discharge") or receives any notice of violation, request for information or notification that it is potentially responsible for investigation or cleanup of environmental conditions at such Specified Real Property, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting such Specified Real Property or any Loan Party's interest therein (any of the foregoing is referred to herein as an "Environmental Complaint") from any Person, including any state agency responsible in whole or in part for environmental matters in the state in which such Specified Real Property is located or the United States Environmental Protection Agency (any such Person hereinafter the "Authority"), then the Borrower shall promptly (but in any case within five (5) Business Days) give written notice of same to Agent detailing facts and circumstances of which any Loan Party is aware giving rise to the Hazardous Discharge or Environmental Complaint. Such information is to be provided to allow Agent to protect its Lien in any Collateral located at such Specified Real Property and is not intended to create nor shall it create any obligation upon Agent or any Lender with respect thereto.

(e) Loan Parties shall respond promptly to any Hazardous Discharge or Environmental Complaint and take all necessary action in order to safeguard the health of any Person and to avoid subjecting the Collateral or any Specified Real Property to any Lien, except where the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(f) During the continuation of an Event of Default, promptly upon the written request of Agent, Loan Parties shall provide Agent, at Loan Parties' expense, with an environmental site assessment or environmental audit report prepared by an environmental engineering firm acceptable in the reasonable opinion of Agent, to assess with a reasonable degree of certainty the existence of a Hazardous Discharge and the potential costs in connection with abatement, cleanup and removal of any Hazardous Substances found on, under, at or within any Specified Real Property.

(g) Loan Parties shall defend and indemnify Agent and Lenders and hold Agent, Lenders and their respective employees, agents, directors and officers harmless from and against all loss, liability, damage and expense, claims, costs, fines and penalties, including attorney's fees, disbursements and costs, suffered or incurred by Agent or Lenders under or on account of any Environmental Laws, including, without limitation, the assertion of any Lien thereunder, with respect to any Hazardous

Discharge, the presence of any Hazardous Substances affecting any Specified Real Property, whether or not the same originates or emerges from such Real Property or any contiguous real estate, except to the extent such loss, liability, damage and expense is attributable to any Hazardous Discharge resulting from actions on the part of Agent or any Lender caused by (as applicable) Agent's or such Lender's gross (not mere) negligence or willful misconduct, as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. Loan Parties' obligations under this Section 4.17 shall arise upon the discovery of the presence of any Hazardous Substances at such Specified Real Property, whether or not any federal, state, or local environmental agency has taken or threatened any action in connection with the presence of any Hazardous Substances. Loan Parties' obligation and the indemnifications hereunder shall survive the termination of this Agreement.

(h) For purposes of Sections 4.17 and 5.07, all references to any Specified Real Property shall be deemed to include all of Loan Parties' and their respective Subsidiaries' right, title and interest in and to their respective owned and leased premises.

Section 4.18 Financing Statements.

As of the Closing Date, except for financing statements being released on or prior to the Closing Date and the financing statements filed in favor of Agent, no financing statement covering any of the Collateral or any proceeds thereof is on file in any public office.

Section 4.19 Real Property .

With respect to each parcel of owned Real Property that is not an Excluded Asset, within 20 days after the later of the Closing Date and the acquisition of such Real Property, the Loan Parties shall deliver the following:

(a) a mortgage or deed of trust with respect to such owned Real Property, together with evidence each such mortgage has been duly executed, acknowledged and delivered by a duly authorized officer of each party thereto on or before such date and is in form suitable for filing and recording in all filing or recording offices that Agent may deem necessary or desirable in order to create a valid and subsisting perfected Lien on the property described therein in favor of Agent for the benefit of the Secured Parties and that all filing and recording taxes and fees have been paid or otherwise provided for in a manner reasonably satisfactory to Agent;

(b) fully paid American Land Title Association Lender's Extended Coverage customary title insurance policies (the "Mortgage Policies") in form and substance, with endorsements (including zoning endorsements) and in amounts reasonably acceptable to Agent, issued, coinsured and reinsured by title insurers reasonably acceptable to Agent, insuring the Mortgages to be valid first and subsisting Liens on the property described therein, free and clear of all defects (including, but not limited to, mechanics' and materialmen's Liens) and encumbrances, excepting only Permitted Encumbrances and providing for such other affirmative insurance and such customary coinsurance and direct access reinsurance as Agent may reasonably deem necessary or desirable; provided, with respect to any property located in a state in which a zoning endorsement is either not available or is available but only at a premium that is excessive or requires a legal opinion, a customary zoning compliance letter from the applicable municipality or a zoning report from Planning and Zoning Resources Corporation, in each case reasonably satisfactory to Agent, may be delivered in lieu of a zoning endorsement;

(c) American Land Title Association/American Congress on Surveying and Mapping form surveys for each of the Real Properties, for which all necessary fees (where applicable) have been paid, and dated no more than thirty (30) days before the day of the initial credit extension hereunder, certified to the Agent and the issuer of the Mortgage Policies in a manner reasonably satisfactory to the Agent by a land surveyor duly registered and licensed in the states in which the applicable Real Property is located and acceptable to the Agent, showing all buildings and other improvements, any off-site improvements, the location of any easements, parking spaces, rights of way, building set-back lines and other dimensional regulations and the absence of encroachments, either by such improvements or on to such property, and other defects, other than encroachments and other defects that could not reasonably be expected to result in a Material Adverse Effect; provided, however, notwithstanding the foregoing, new or updated surveys with respect to any of the Real Properties will not be required if an existing survey is available for any such Real Properties and the issuer of the Mortgage Policies is willing to provide survey coverage for the Agent's Mortgage Policies on the basis of such existing survey and without the need for a new or updated survey with respect to such Real Properties;

(d) environmental assessment report with respect to each Real Property in form and substance satisfactory to Agent;

(e) favorable opinions of local counsel to the Loan Parties in states in which the owned Real Property is located, with respect to the enforceability and perfection of the mortgages or deeds of trust that and any related fixture filings, in form and substance reasonably satisfactory to Agent;

(f) favorable opinions of counsel to the Loan Parties in the states in which the Loan Parties party to the mortgages and deeds of trust are organized or formed, with respect to the valid existence, corporate power and authority of such Loan Parties in the granting of the mortgages or deeds of trust, in form and substance satisfactory to Agent;

(g) no later than five (5) days prior to the date on which a mortgage with respect to each Real Property is executed and delivered pursuant to this Agreement: (A) a a completed standard "life of loan" flood hazard determination form, (B) if it the improvements to the applicable improved property are located in an area designated by the Federal Emergency Management Agency as having special flood or mud slide hazards (a "Flood Hazard Property"), a written notification to the Borrower (a "Borrower Notice"), (C) the Borrower's written acknowledgment of receipt of the Borrower Notice from Agent as to the fact that such Real Property is a Flood Hazard Property and as to whether the community in which each such Flood Hazard Property is located is participating in the National Flood Insurance Program and (D) if the Borrower Notice is required to be given and flood insurance is available in the community in which the applicable Initial Mortgaged Property is located, a copy of the flood insurance policy, copies of the applicable Loan Party's application for a flood insurance policy plus proof of premium payment, a declaration page confirming that flood insurance has been issued, or such other evidence of flood insurance satisfactory to the Agent and naming the Agent as loss payee on behalf of the Lenders;

(h) evidence that all other actions reasonably requested by the Agent, that are necessary in order to create valid and subsisting Liens on the property described in the mortgage or deed of trust, have been taken; and

(i) evidence that all fees, costs and expenses have been paid in connection with the preparation, execution, filing and recordation of the Mortgages, including, without limitation, reasonable attorneys' fees, filing and recording fees, title insurance company coordination fees, documentary stamp, mortgage and intangible taxes and title search charges and other charges incurred in connection with the recordation of the Mortgages and the other matters described in this Section 4.19 and as otherwise required to be paid in connection therewith.

Section 4.20 **Questionnaire**. Borrower represents that each completed Questionnaire delivered to Agent on the Closing Date is true, complete and correct in all material respects and the facts contained in each such Questionnaire are accurate in all material respects. Borrower shall promptly supplement each Questionnaire to reflect any information hereafter obtained by Borrower that would require a correction or addition to such Questionnaire.

ARTICLE V
REPRESENTATIONS AND WARRANTIES.

Each Loan Party represents and warrants as follows:

Section 5.01 **Authority, Etc**.

Each Loan Party has the requisite limited liability company or corporate power and authority to enter into this Agreement and the Other Documents and to perform all its respective Obligations hereunder and thereunder. The execution, delivery and performance of this Agreement and of the Other Documents (a) are within such Loan Party's limited liability company or corporate powers, as applicable, have been duly authorized, are not in contravention of law or the terms of such Loan Party's certificate of formation, limited liability company agreement, certificate of incorporation, by-laws or other applicable constituent documents or of any material agreement or undertaking to which such Loan Party is a party or by which such Loan Party is bound, and (b) will not materially conflict with nor result in any material breach in any of the provisions of or constitute a default under or result in the creation of any Lien except Permitted Encumbrances upon any asset of such Loan Party under the provisions of any agreement or instrument to which such Loan Party or its property is a party or by which it may be bound. The execution, delivery, and performance by each Loan Party of this Agreement and the Other Documents to which such Loan Party is a party and the consummation of the transactions contemplated by this Agreement and the Other Documents do not and will not require any registration with, Consent, or approval of, or notice to, or other action with or by, any Government Body, other than Consents or approvals that have been obtained or waived and that are still in force and effect or complied with, except for (i) filings and recordings with respect to the Collateral to be made, or otherwise delivered to the Agent for filing or recordation, as of the Closing Date, and (ii) filings required under the securities laws of the United States or subdivisions thereof, and any applicable securities exchanges and except where the failure to file same would not have a Material Adverse Effect. This Agreement and each Other Document has been duly executed and delivered by each Loan Party that is a party thereto and is a legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

Section 5.02 **Formation and Qualification**.

(a) Each Loan Party is duly formed or incorporated and in good standing under the laws of its respective state or other jurisdiction of organization or incorporation listed on Schedule 5.02(a) (as such schedule may from time to time be updated in accordance with Section 7.17) and each Loan Party is qualified to do business and is in good standing in the states and other jurisdictions listed with respect to that Loan Party on Schedule 5.02(a) (as such schedule may from time to time be updated in accordance with Section 7.17), which constitute all states and other jurisdictions in which qualification and good standing are necessary for such Loan Party to conduct its business and own its property and where the failure to so qualify could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. The state organizational number of each Loan Party is set forth on Schedule 5.02(a) (as such schedule may from time to time be updated in accordance with Section 7.17). Each Loan Party has delivered to Agent true and complete copies of its certificate of formation, limited liability company agreement, certificate of incorporation, by-laws or other applicable constituent documents and will promptly notify Agent of any amendment or changes thereto.

(b) All of the Subsidiaries of each Loan Party are listed on Schedule 5.02(b) (as such schedule may from time to time be updated in accordance with Section 7.11(a).

Section 5.03 Survival of Representations and Warranties.

All representations and warranties of such Loan Party contained in this Agreement and the Other Documents shall be true at the time of such Loan Party's execution of this Agreement and the Other Documents, and shall survive the execution, delivery and acceptance thereof by the parties thereto and the closing of the transactions described therein or related thereto.

Section 5.04 Tax Returns.

Each Loan Party's federal tax identification number is set forth on Schedule 5.04. Except as otherwise expressly permitted by this Agreement, each Loan Party and each of its Subsidiaries has (a) filed all federal, state, local and other tax returns, reports and statements, including information returns, it is required by law to file, except for those returns which are subject to valid extensions and (b) paid all Taxes that are due and payable with respect thereto or otherwise owing, except for taxes that may remain due on such extended returns. No federal, state, local or other income tax return of any Loan Party or Subsidiary that has been filed is known by any Loan Party to be under examination as of the Closing Date. All income tax returns have been timely filed as of the Closing Date, except for such extension. The provisions for Taxes on the books of each Loan Party and each of its Subsidiaries are adequate in all material respects for all years not closed by applicable statutes, and for its current fiscal year, and no Loan Party nor any of its Subsidiaries has any knowledge of any material deficiency or additional assessment in connection therewith not provided for on its books.

Section 5.05 Financial Statements.

(a) The pro forma balance sheet of Loan Parties and their Subsidiaries on a consolidated basis (the "Pro Forma Balance Sheet") furnished to Agent on the Closing Date reflects the consummation of the transactions contemplated under this Agreement and presents fairly in all material respects the pro forma financial condition of Loan Parties and their Subsidiaries on a consolidated basis as of the Closing Date after giving effect to the transactions under this Agreement, and has been prepared in accordance with GAAP, consistently applied.

(b) The twelve (12) month cash flow projections of Loan Parties and their Subsidiaries on a consolidated basis and their projected balance sheets as of the Closing Date, in each case through the end of Loan Parties' fiscal year ended **[December 31, 2019]**, copies of which (along with the Pro Forma Balance Sheet) are annexed hereto as Exhibit 5.05 were prepared by a Responsible Officer of Borrower, are based on underlying assumptions which Loan Parties believe provide a reasonable basis for the projections contained therein in light of conditions and facts known to Loan Parties at the time such projections were made and reflect Loan Parties' good faith judgment.

(c) The consolidated and consolidating balance sheets of Loan Parties, their Subsidiaries and such other Persons described therein as of December 31, 2015, and the related statements of income, changes in stockholders' equity, which will not be consolidating, and changes in cash flow, which will not be consolidating, for the period ended on such date, all accompanied by reports thereon containing opinions without qualification by independent certified public accountants, copies of which have been delivered to Agent, have been prepared in accordance with GAAP consistently applied (except for changes in application in which such accountants concur) and present fairly the consolidated, and consolidating where applicable, financial position of Loan Parties and their Subsidiaries at such date and the consolidated, and consolidating where applicable, results of their operations and changes in stockholders' equity and cash flow for such period.

(d) The consolidated and consolidating balance sheets of Loan Parties, their Subsidiaries and such other Persons described therein as of the monthly period most recently ended at least thirty (30) days prior to the Closing Date, and the related statements of income for the period ended on such date, copies of which have been delivered to Agent, have been prepared in accordance with GAAP, consistently applied and such balance sheet presents fairly the financial condition of Loan Parties, their Subsidiaries and such other Persons on a consolidated basis as of such date, subject to normal year-end audit adjustments and absence of footnotes, the statement of cash flows and the statement of changes in shareholders' equity.

(e) Other than the restructuring resulting in the Bankruptcy Case, since September 30, 2016, there has been no change in the condition, financial or otherwise, of the Loan Parties and their Subsidiaries taken as a whole, except changes which could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 5.06 Corporate Name.

The exact legal name of each Loan Party is set forth in the first paragraph to this Agreement (or, if such Loan Party is not listed in such first paragraph, such exact legal name is set forth on Schedule 5.06 (as such schedule may from time to time be updated in accordance with Section 7.17)). No Loan Party has been known by any other corporate, limited liability company or partnership name in the past five (5) years and no Loan Party sells Inventory or has submitted tax returns under any other name except as set forth on Schedule 5.06 (as such schedule may from time to time be updated in accordance with Section 7.17), nor has any Loan Party been the surviving corporation of a merger or consolidation or acquired all or substantially all of the assets of any Person or has acquired any assets of any Person outside the ordinary course of business during the preceding five (5) years except as set forth on Schedule 5.06 (as such schedule may from time to time be updated in accordance with Section 7.17).

Section 5.07 O.S.H.A. and Environmental Compliance.

(a) Each Loan Party and each of their Subsidiaries has duly complied, and each of their facilities, businesses, assets, properties and leaseholds are in compliance, in all material respects with the provisions of the Federal Occupational Safety and Health Act, RCRA and all other Environmental Laws; there have been no outstanding citations, notices or orders of non-compliance issued to any Loan Party or any of their Subsidiaries or relating to its business, assets, property or leaseholds under any such laws, rules or regulations, except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(b) Each Loan Party and each of their Subsidiaries has been issued all required federal, state and local licenses, certificates or permits relating to all applicable Environmental Laws, except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(c) (i) There are no visible signs of releases, spills, discharges, leaks or disposal (each, a "Release") of Hazardous Substances at, upon, under or within any owned Real Property or any premises leased by any Loan Party or any of their Subsidiaries; (ii) there are no underground storage tanks or polychlorinated biphenyls on the owned Real Property or any premises leased by any Loan Party or any of their Subsidiaries; (iii) neither the owned Real Property nor any premises leased by any Loan Party or any of their Subsidiaries has ever been used as a treatment, storage or disposal facility of Hazardous Waste; and (iv) no Hazardous Substances are present on the owned Real Property or any premises leased by any Loan Party or any of their Subsidiaries, excepting such quantities as are handled in accordance with all applicable manufacturer's instructions and governmental regulations and in proper storage containers and as are necessary for the operation of the commercial business of any Loan Party or any of their Subsidiaries or of their respective tenants, in each case except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 5.08 Solvency; No Litigation, Violation of Law; No ERISA Issues.

(a) After giving effect to the transactions contemplated by this Agreement and the Plan of Reorganization, the Borrower is Solvent and Loan Parties and their Subsidiaries taken as a whole are Solvent.

(b) No Loan Party nor any of their Subsidiaries has (i) except as disclosed in Schedule 5.08(b), any pending (or, to the knowledge of any Loan Party, threatened in writing) litigation, arbitration, actions or proceedings which involve the possibility of having a Material Adverse Effect, (ii) except as disclosed in Schedule 5.08(b), as of the Closing Date, any pending (or, to the knowledge of any Loan Party, threatened in writing) litigation, arbitration, actions or proceedings which involve the possibility of having liability in excess of $200,000, (iii) except as disclosed in Schedule 5.08(b) (as such schedule may from time to time be updated by Borrower providing written notice to Agent of any new commercial tort claims reasonably estimated to exceed Five Hundred Thousand ($500,000) Dollars), any commercial tort claims, and (iv) except as disclosed in Schedule 5.08(b), as of the Closing Date and after giving effect to the transactions contemplated by this Agreement and the Plan of Reorganization, any Money Borrowed other than the Obligations.

(c) No Loan Party nor any of their Subsidiaries is in violation of any applicable statute, regulation or ordinance in any respect which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, nor is any Loan Party or any of their Subsidiaries in violation of any order of any court or Governmental Body which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(d) Except with respect to Multiemployer Plans, each plan that is intended to qualify under Section 401 of the Code has been determined by the IRS to qualify under Section 401 of the Code, the trusts created thereunder have been determined to be exempt from tax under the provisions of Section 501 of the Code, and, to each Loan Party's knowledge, nothing has occurred that would cause the loss of such qualification or tax exempt status. Each Plan is in compliance with the applicable provisions of ERISA and the Code, except to the extent that the failure to comply, individually or in the aggregate, could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Neither any Loan Party nor ERISA Affiliate has failed to make any material contribution or pay any material amount due as required by either Section 412 of the Code or Section 302 of ERISA or the terms of any such Plan. Neither any Loan Party nor ERISA Affiliate has engaged in a "prohibited transaction," as defined in Section 406 of ERISA and Section 4975 of the Code, in connection with any Plan, that would subject any Loan Party to a material tax on prohibited transactions imposed by Section 502(i) of ERISA or Section 4975 of the Code. Except as set forth in Schedule 5.08(d): (i) no Title IV Plan has any Unfunded Pension Liability; (ii) no ERISA Event with respect to any Title IV Plan has occurred or is reasonably expected to occur; (iii) there are no pending, or to the knowledge of any Loan Party, threatened claims (other than claims for benefits in the normal course), sanctions, actions or lawsuits, asserted or instituted against any Title IV Plan or any Person as fiduciary or sponsor of any Title IV Plan; (iv) no Loan Party or ERISA Affiliate has incurred or reasonably expects to incur any liability as a result of a complete or partial withdrawal from a Multiemployer Plan; (v) within the last five (5) years no Title IV Plan of any Loan Party or ERISA Affiliate has been terminated, whether or not in a "standard termination" as that term is used in Section 4041(b)(1) of ERISA, nor has any Title IV Plan of any Loan Party or any ERISA Affiliate (determined at any time within the last five (5) years) with Unfunded Pension Liabilities been transferred outside of the Controlled Group of any Loan Party or ERISA Affiliate (determined at such time); (vi) except in the case of any ESOP, Equity Interests of all Loan Parties and their ERISA Affiliates makes up, in the aggregate, no more than ten (10%) percent of fair market value of the assets of any Title IV Plan measured on the basis of fair market value as of the latest valuation date of any Title IV Plan; and (vii) no liability under any Title IV Plan has been satisfied with the purchase of a contract from an insurance company that is not rated AAA by the Standard & Poor's Corporation or an equivalent rating by another nationally recognized rating agency.

Section 5.09 Patents, Trademarks, Copyrights and Licenses.

There are no patents, patent applications or patent licenses owned by the Loan Parties. All trademarks, trademark applications, service marks, service mark applications, copyrights, copyright applications, design rights, trade names and assumed names owned or utilized by any Loan Party or any of their Subsidiaries are set forth on Schedule 5.09 (as such schedule may from time to time be updated by Borrower providing written notice to Agent of any newly acquired Intellectual Property rights, so long as Loan Parties have taken (or caused to be taken) all steps required by Agent to perfect its Lien therein), are valid and have been duly registered or filed with all appropriate Governmental Body and constitute all of the Intellectual Property rights which are necessary for the operation of its business; there is no objection to or pending challenge to the validity of any such material trademark, copyright, design right or trade name and no Loan Party nor any Subsidiary of any Loan Party is aware of any grounds for any challenge. The only trade secrets owned by the Loan Parties relate to its proprietary customer information. Each trademark, trademark application, service mark, service mark application, copyright and copyright application owned or held by any Loan Party or any such Subsidiary and all trade secrets used by any Loan Party or any such Subsidiary consist of original material or property developed by such Loan Party or such Subsidiary or was lawfully acquired by such Loan Party or such Subsidiary from the proper and lawful owner thereof. Each of such items has been maintained so as to preserve the value thereof from the date of creation or acquisition thereof. With respect to all software used by any Loan Party, none of such software is subject to any license agreements, other than in the case of "off the shelf" software utilized by Loan Parties.

Section 5.10 Licenses and Permits.

Each Loan Party and each Subsidiary of each Loan Party (a) is in compliance with and (b) has procured and is now in possession of, all material licenses or permits required by any applicable federal, state, local or other law or regulation for the operation of its business in each jurisdiction wherein it is now conducting or proposes to conduct business and where the failure to procure such licenses or permits could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 5.11 No Contractual Default.

After giving effect to the Plan of Reorganization, no Loan Party is in default in the payment or performance of any of its contractual obligations with respect to which a default thereunder could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 5.12 No Burdensome Restrictions/No Liens.

After giving effect to the Plan of Reorganization, no Loan Party nor any Subsidiary of any Loan Party is party to any contract or agreement the performance of which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. After giving effect to the Plan of Reorganization, no Loan Party nor any Subsidiary of any Loan Party has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien which is not a Permitted Encumbrance.

Section 5.13 No Labor Disputes.

No Loan Party nor any Subsidiary of any Loan Party is involved in any labor dispute; there are no strikes or walkouts or union organization of any Loan Party's or any of such Subsidiary's employees in existence or threatened in writing and no labor contract is scheduled to expire during the Term other than as set forth on Schedule 5.13 (as such schedule may from time to time be updated by Borrower providing written notice to Agent of any newly arising item, so long as (i) Loan Parties have taken (or caused to be taken) all steps reasonably required by Agent with respect thereto and (ii) such items could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect).

Section 5.14 Margin Regulations.

No Loan Party nor any Subsidiary of any Loan Party is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the meaning of the quoted term under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of any Term Loan will be used for "purchasing" or "carrying" "margin stock" as defined in Regulation U of such Board of Governors.

Section 5.15 Investment Company Act.

No Loan Party nor any Subsidiary of any Loan Party is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, nor is it controlled by such a company.

Section 5.16 Disclosure.

No representation or warranty made by or on behalf of any Loan Party or any Subsidiary of any Loan Party in this Agreement, any Other Document or in any financial statement, report, certificate or any other document furnished in connection herewith and no information at any time furnished by or on behalf of any Loan Party or any Subsidiary of any Loan Party to Agent or any Lender pursuant hereto or in connection herewith, in each case on the date as of which such information is dated or certified, when considered as a whole, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein or therein not misleading in light of the circumstances under which they were made.

Section 5.17 Real Property.

Each Loan Party and each of its Subsidiaries owns record title in fee simple or the leasehold interest to, or, solely with respect to disposal wells, has rights to operate, the Real Property described on Schedule 5.17 (as such Schedule may from time to time be updated by written notice from Borrower to Agent), free and clear of all Liens, except Permitted Encumbrances. The Real Property described on Schedule 5.17 (as such Schedule may from time to time be updated by written notice from Borrower to Agent) constitutes all of the Real Property of Loan Parties.

Section 5.18 **Hedging Agreements**.

No Loan Party nor any Subsidiary of any Loan Party is a party to any Hedging Agreement as of the Closing Date.

Section 5.19 **Conflicting Agreements**.

After giving effect to the Plan of Reorganization, no provision of any mortgage, indenture, contract, agreement, judgment, decree or order binding on any Loan Party or affecting the Collateral conflicts with, or requires any Consent which has not already been obtained, or would in any way prevent the execution, delivery or performance of the terms of this Agreement or the Other Documents.

Section 5.20 **Business and Property of Loan Parties; Inactive Subsidiaries**.

Upon and after the Closing Date, Loan Parties and their Subsidiaries do not propose to engage in any business other than as currently conducted and businesses reasonably similar, complementary or related thereto. Each Loan Party and each Subsidiary of a Loan Party owns or leases all the property and possesses all of the rights and consents necessary for the conduct of the business of such Loan Party and such Subsidiary as it is presently being conducted, except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. No Inactive Subsidiary has, or will at any time have any property or assets, liabilities or contractual obligations other than (a) those that are de minimis individually and in the aggregate and (b) liabilities and contractual obligations under this Agreement and the Other Documents, if any.

Section 5.21 **Material Contracts**.

The only material agreements to which a Loan Party or a Subsidiary is a party are set forth in the exhibit list of Parent's Annual Report on Form 10-K for the year ended December 31, 2015 and any subsequently filed Quarterly Reports on Form 10-Q and/or Current Reports on Form 8-K (the "Material Contracts"). As of the Closing Date after giving effect to the Plan of Reorganization other than the Material Contracts, there are no (a) employment agreements covering the management of any Loan Party or any Subsidiary, other than the new employment agreements for John E. Crisp, Charles C. Forbes, Jr., L. Melvin Cooper and Steven Macek, (b) collective bargaining agreements or other labor agreements covering any employees of any Loan Party or any Subsidiary, (c) agreements for managerial, consulting or similar services to which any Loan Party or any Subsidiary is a party or by which it is bound, except for engagement agreements with the professionals advising the Borrower and the Guarantors in connection with the restructuring resulting in the Bankruptcy Case, (d) agreements regarding any Loan Party or any Subsidiary, its assets or operations or any investment therein to which any of its Affiliates is a party, except for such agreements as are (i) disclosed in Loan Parties' public filings with the SEC or (ii) otherwise approved by the independent directors on Parent's board of directors and not disclosed in Loan Parties' public filings with the SEC, in an aggregate amount for all such agreements described in this clause (ii) not to exceed (A) $2,000,000 in any fiscal year or (B) $8,000,000 in the aggregate during the term of this Agreement (in each case under this clause (ii), taking into account all consideration paid to and/or payable by Loan Parties pursuant to such agreements, regardless of the nature of the transactions provided for pursuant to such agreements), (e) patent licenses, trademark licenses, copyright licenses or other lease or license agreements to which any Loan Party or any Subsidiary is a party, either as lessor or lessee, or as licensor or licensee, (f) distribution, marketing or supply agreements to which any Loan

Party or any Subsidiary is a party, (g) customer agreements to which any Loan Party or any Subsidiary is a party, (h) real estate leases to which any Loan Party or any Subsidiary is a party, (in each case with respect to any agreement of the type described in the preceding clauses (a), (b), (c), (d), (e), (f), (g) and (h), to the extent requiring disclosure as a material contract in Parent's filings with the SEC), (i) partnership agreements to which any Loan Party or any Subsidiary is a partner, limited liability company agreements to which any Loan Party or any Subsidiary is a member or manager, or joint venture agreements to which any Loan Party or any Subsidiary is a party, or (j) any other agreements or instruments to which any Loan Party or any Loan Party is a party the breach, nonperformance or cancellation of which, would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. The consummation of the transactions contemplated by this Agreement and the Other Documents will not give rise to a right of termination in favor of any party to any Material Contract which would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each Material Contract is in full force and effect and, after giving effect to the Plan of Reorganization no defaults enforceable against any Loan Party or any Subsidiary exist thereunder, except as could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. No Loan Party nor any Subsidiary of any Loan Party has received notice from any party to any Material Contract stating that it intends to terminate or amend such contract, except to the extent such termination could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 5.22 **Capital Structure**.

Schedule 5.22 sets forth the authorized Equity Interests, and owner thereof, of each of Loan Parties and each of their Subsidiaries as of the Closing Date, after giving effect to the Plan of Reorganization. All of the Equity Interests of each of Loan Parties (other than Parent) and each of their Subsidiaries are owned directly or indirectly by the Borrower. All issued and outstanding Equity Interests of each of Loan Parties and each of their Subsidiaries are, and with respect to Parent after giving effect to the Plan of Reorganization the same are, duly authorized and validly issued, fully paid and non-assessable, and such Equity Interests were issued in compliance with all applicable laws. All issued and outstanding Equity Interests of each Loan Party (other than Parent) and each of their Subsidiaries is free and clear of all Liens other than Permitted Encumbrances and the Lien in favor of Agent for the benefit of Agent and Lenders. The identity of the holders of the Equity Interests of each of Loan Parties (other than Parent) and each of their Subsidiaries and the percentage of their fully diluted ownership of the Equity Interests of each of Loan Parties (other than Parent) and each of their Subsidiaries as of the Closing Date is set forth on Schedule 5.22. No shares of the Equity Interests of any Loan Party or any of their Subsidiaries, other than those described above, are issued and outstanding as of the Closing Date. As of the Closing Date there are no preemptive or other outstanding rights, options, warrants, conversion rights or similar agreements or understandings for the purchase or acquisition from any Loan Party (other than Parent) or any of their Subsidiaries of any Equity Interests of any such entity.

Section 5.23 **Bank Accounts, Security Accounts, Etc**.

No Loan Party has any bank accounts, deposit accounts, investments accounts, securities accounts or any other similar accounts other than the accounts set forth Schedule 5.23 (as such Schedule may from time to time be updated by Borrower delivering a written update thereto to Agent, so long as such updates are approved by Agent (to the extent any such new bank accounts, deposit accounts, investments accounts, securities accounts or any other similar accounts are not otherwise permitted hereunder)). The purpose and type of each such account is specified on Schedule 5.23.

Section 5.24 **OFAC**.

None of Borrower, any Subsidiary of Borrower or any Affiliate of Borrower: (a) is a Sanctioned Person, (b) has more than ten (10%) percent of its assets in Sanctioned Entities or (c) derives more than ten (10%) percent of its operating income from investments in, or transactions with Sanctioned Persons or Sanctioned Entities. The proceeds of any Term Loan will not be used and have not been used to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person or a Sanctioned Entity.

ARTICLE VI
AFFIRMATIVE COVENANTS.

Each Loan Party shall at all times until all of the Obligations have been Paid in Full:

Section 6.01 Payment of Fees.

Promptly following demand, pay to Agent all usual and customary fees and expenses which Agent incurs in connection with the forwarding of Term Loan proceeds.

Section 6.02 Conduct of Business; Compliance with Laws and Maintenance of Existence and Assets.

Conduct, and cause each Subsidiary of each Loan Party to conduct, continuously and operate actively its business according to business practices and maintain, and, subject to reduced maintenance for stacked assets during the industry downturn, cause each Subsidiary of each Loan Party to maintain, all of its properties useful or necessary in its business in good working order and condition in all material respects (reasonable wear and tear excepted and except as may be Disposed of in accordance with the terms of this Agreement (including, without limitation, Section 7.01)), including, without limitation, all Intellectual Property and take all actions necessary to enforce and protect the validity of its Intellectual Property, except for any of its Intellectual Property which a Loan Party determines is no longer used or useful in the conduct of its business. Each Loan Party shall, and shall cause each Subsidiary of each Loan Party to, (a) keep in full force and effect its existence and its material rights and franchises, except as expressly permitted by this Agreement (including pursuant to Section 7.01), (b) comply in all material respects with the laws and regulations governing the conduct of its business where the failure to do so could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; provided, that, the Inactive Subsidiaries and Insignificant Subsidiaries may dissolve or merge into a Loan Party and Loan Parties shall provide written notice thereof to Agent within ten (10) Business Days of the occurrence thereof, accompanied by the relevant merger agreement and certificates of merger filed with the applicable Governmental Bodies, and (c) except as expressly permitted hereunder, make all such reports and pay all such franchise and other taxes and license fees and do all such other acts and things as may be lawfully required to maintain its rights, licenses, leases, powers and franchises under the laws of the United States or any of its political subdivisions or, based on commercially reasonable efforts, to do so in any applicable foreign jurisdiction or any political subdivision of any of such foreign jurisdictions.

Section 6.03 Violations.

Promptly after becoming aware of the same, notify Agent in writing of any violation of any law, statute, regulation or ordinance of any Governmental Body, or of any agency thereof, applicable to any Loan Party or any of their Subsidiaries which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

Section 6.04 Execution of Supplemental Instruments; Further Assurances.

Promptly upon request by Agent, each Loan Party shall take such additional actions (including, without limitation, execution and delivery of such supplemental agreements or instruments, statements, assignments and transfers, or instructions or documents relating to the Collateral) as Agent may require in its reasonable discretion from time to time in order (a) to carry out more effectively the purposes of this Agreement or any Other Document, (b) to subject all of the existing or hereinafter acquired personal property (other than Excluded Assets and any tangible personal property that is not located in the United States) of each Loan Party to first-priority perfected Liens (subject only to Permitted Encumbrances) in favor of Agent to secure the Obligations, (c) to perfect and maintain the validity, effectiveness and priority of any of the Liens created, or intended to be created thereby, by this Agreement or any Other Document to the extent required herein or therein, and (d) to better assure, convey, grant, assign, transfer, preserve, protect and confirm to Agent and Lenders the rights granted or now or hereafter intended to be granted to Agent and the Lenders under this Agreement or any Other Document. Without limiting the generality of the foregoing, each Loan Party shall (and shall cause each other Loan Party to) guarantee (to the extent not already directly obligated with respect thereto) all of the Obligations and to grant to Agent, for the benefit of Agent and Lenders, a Lien in all of such Loan Party's existing or hereinafter acquired personal property (other than Excluded Assets) to secure all of the Obligations; provided, that, no such guarantee or grant shall be required by a Non-US Subsidiary that is a CFC.

Section 6.05 Payment of Indebtedness.

Each Loan Party shall, and shall cause each Subsidiary of each Loan Party to, subject at all times to any applicable subordination or intercreditor arrangement in favor of Agent and/or Lenders, pay, discharge or otherwise satisfy at or before maturity all its Indebtedness of whatever nature, except when the failure to do so could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect or when the amount or validity thereof is currently being contested in good faith by appropriate proceedings and each Loan Party and each of their Subsidiaries shall have provided for such reserves as Agent may reasonably deem proper and necessary.

Section 6.06 Standards of Financial Statements.

Each Loan Party shall, and shall cause each Subsidiary of each Loan Party to, cause all financial statements referred to in Sections 9.06, 9.07, 9.08 and 9.11 as to which GAAP is applicable to present fairly in all material respects (subject, in the case of interim financial statements, to normal year-end audit adjustments and absence of footnotes, the statement of cash flows and the statement of changes in shareholders' equity) and to be prepared in reasonable detail, but only if such statement is to be prepared in accordance with GAAP consistently applied, and in accordance with GAAP consistently applied throughout the periods reflected therein (except as concurred in by such reporting accountants or officer, as the case may be, and disclosed therein) and, in the case of financial statements required by Section 9.06, in a form consistent with what would be required if filed with an applicable Form 10-K with the SEC.

ARTICLE VII
NEGATIVE COVENANTS.

No Loan Party shall, nor shall any Loan Party permit any of its Subsidiaries to, at any time prior to the Payment in Full of all of the Obligations:

Section 7.01 Merger, Consolidation, Acquisition and Sale of Assets.

(a) Consummate any merger, consolidation or other reorganization with or into any other Person or permit any other Person to consolidate with or merge with it; except, that, (i) a Loan Party may merge or consolidate into another Loan Party so long as (A) no Event of Default shall have occurred and be continuing, (B) Borrower shall give Agent at least ten (10) Business Days prior written notice thereof, (C) if the Borrower is a party to such merger or consolidation the Borrower shall be the surviving entity, (D) no Loan Party shall merge or consolidate with a Loan Party that exists under the laws of a country different than the country in which such Loan Party exists and (E) prior to such merger or consolidation Loan Parties have taken (or caused to be taken) all steps required by Agent with respect thereto (including without limitation all steps required by Agent to maintain Agent's Lien on the Collateral granted by such Loan Parties, as well as the priority and effectiveness of such Lien); and (ii) a Subsidiary of the Borrower that is not a Loan Party may merge or consolidate into another Subsidiary of the Borrower that is not a Loan Party so long as (A) no Event of Default shall have occurred and be continuing, and (B) Borrower shall give Agent at least ten (10) Business Days prior written notice thereof.

(b) Acquire all or a substantial portion of the assets or Equity Interests of any Person except for investments permitted by Section 7.04.

(c) Directly or indirectly, sell, assign, lease, transfer, abandon or otherwise dispose of any of its assets or properties (including, without limitation, the Collateral) to any other Person (each, a "Disposition"), except for:

(i) the sale of Inventory in the ordinary course of business

(ii) (A) the sale, lease, transfer or Disposition of used, worn-out or obsolete Well Services Equipment and Well Services Equipment no longer used or useful in the conduct of business of Loan Parties or any of their Subsidiaries having a fair market value not to exceed $2,500,000 in the aggregate in any fiscal year, and (B) the sale, lease, transfer or Disposition of machinery and equipment other than Well Services Equipment and machinery and equipment other than Well Services Equipment no longer used or useful in the conduct of business of Loan Parties or any of their Subsidiaries having a fair market value not to exceed $2,500,000 in the aggregate in any fiscal year;

(iii) provided no Event of Default shall have occurred and be continuing or result therefrom, the Disposition of assets (other than equity interests of any of its Subsidiaries) having a fair market value not to exceed $5,000,000 in the aggregate in any fiscal year;

(iv) the sale, lease, transfer or other Disposition of property by a Loan Party or a Subsidiary of a Loan Party to any other Loan Party or Subsidiary of a Loan Party; provided, that, (A) if a Loan Party or any of its assets is subject to a Disposition, all parties to such Disposition must be Loan Parties, (B) if a Loan Party organized in the United States or any jurisdiction thereof or any of its assets is subject to a Disposition, all parties to such Disposition must be Loan Parties organized in the United States or any jurisdiction thereof, (C) no such sale, lease, transfer or other Disposition shall be made to Parent, (D) to the extent such transaction constitutes an investment, such transaction must be permitted under Section 7.04 and (E) any Lien in favor of Agent on such property shall continue in all respects and shall not be deemed released or terminated as a result of such sale, lease, transfer or other Disposition and Loan Parties shall execute and deliver such agreements, documents and instruments as Agent may reasonably request with respect thereto;

(v) the grant in the ordinary course of business by any Loan Party or any of their Subsidiaries after the date hereof of a non-exclusive license of any Intellectual Property;

provided, that, the rights of the licensee shall be subject to the rights of Agent, and shall not adversely affect, limit or restrict the rights of Agent to use such Intellectual Property or to sell or otherwise dispose of any Inventory or other Collateral in connection with the exercise by Agent of any rights or remedies hereunder or under any of the Other Documents, or otherwise adversely limit or interfere in any material respect with the use of any such Intellectual Property by Agent in connection with the exercise of its rights or remedies hereunder or under any of the Other Documents or by any Loan Party or Subsidiary;

(vi) the issuance of Equity Interests by Loan Parties; provided, that, (A) no Loan Party or Subsidiary shall be required to pay any cash dividends, distributions or repurchase or redeem such Equity Interests or make any other payments in respect thereof, except as otherwise expressly permitted in Section 7.06 and (B) neither the Borrower nor any of its Subsidiaries shall issue any Equity Interests other than to their then current holder(s) of their Equity Interests, Loan Parties, or to others pursuant to the Parent's Management Incentive Plan;

(vii) the issuance of Equity Interests by Parent consisting of common stock (or its equivalent) pursuant to an employee stock option plan or grant or similar equity plan or 401(k) plan of Loan Parties and their Subsidiaries for the benefit of their employees, directors and officers;

(viii) the abandonment or other disposition of Intellectual Property that is not material and is no longer used or useful in any material respect in the business of any Loan Party or any of its Subsidiaries and does not appear on or is otherwise not affixed to or incorporated in any Inventory or Equipment or have any material value;

(ix) involuntary Dispositions occurring by reason of casualty or condemnation;

(x) the leasing, occupancy agreements or sub-leasing of Real Property or Equipment in the ordinary course of business consistent with past practices that would not materially interfere with the required use of such Real Property or Equipment by any Loan Party or any of its Subsidiaries;

(xi) transfers of condemned real property as a result of the exercise of "eminent domain" or other similar policies to the respective governmental authority or agency that has condemned the same (whether by deed in lieu of condemnation or otherwise), and transfers of properties that have been subject to a casualty to the respective insurer of such real property as part of an insurance settlement; and

(xii) any Disposition of property or assets, or issuance of Equity Interests, that is permitted under Sections 7.01(a) and 7.06; and

(d) Without limiting the generality of the provisions of Section 7.01(c) above, Parent shall not cease to own and control, directly or indirectly, one hundred (100%) percent of the Equity Interests of each Loan Party (or the successor-in-interest to any such Loan Party permitted hereunder).

Section 7.02 Creation of Liens.

Create or suffer to exist any Lien or transfer upon or against any of its property or assets now owned or hereafter acquired, except Permitted Encumbrances.

Section 7.03 Guarantees.

Become liable upon the obligations of any Person by assumption, endorsement or guarantee thereof or otherwise (other than with respect to the Obligations) except:

(a) for the endorsement of checks in the ordinary course of business;

(b) that (i) Loan Parties and their Subsidiaries may guarantee Indebtedness or other obligations of Borrower and its US Subsidiaries that are Loan Parties and (ii) a Non-US Subsidiary may guarantee Indebtedness or other obligations of another Non-US Subsidiary (provided if the Non-US Subsidiary that is providing such guarantee is a Loan Party such other Non-US Subsidiary must also be a Loan Party); and

(c) guarantees of other Indebtedness permitted by Section 7.07(k).

Section 7.04 Investments.

Purchase or acquire Indebtedness or Equity Interests of, or any other interest in, any Person, except:

(a) cash or Cash Equivalents;

(b) as expressly permitted pursuant to Section 7.01, Section 7.05, Section 7.06 and Section 7.07;

(c) the endorsement of instruments for collection or deposit in the ordinary course of business;

(d) obligations under Hedging Agreements permitted under Section 7.07(e);

(e) Equity Interests or other obligations issued to Loan Parties by any Person (or the representative of such Person) in compromise or settlement of obligations of such Person owing to Loan Parties (whether or not in connection with the insolvency, bankruptcy, receivership or reorganization of such a Person or a composition or readjustment of the debts of such Person) or upon the foreclosure, perfection or enforcement of any Lien in favor of a Loan Party securing any such obligations;

(f) Obligations of account debtors to Loan Parties and their Subsidiaries arising from Accounts which are evidenced by a promissory note made by such account debtor payable to the applicable Loan Party of Subsidiary; provided, that, promptly upon the receipt of the original of any such promissory note issued to any Loan Party from any account debtor in excess of $100,000 in the aggregate (or regardless of the amount after an Event of Default exists or has occurred and is continuing at the request of Agent), such promissory note(s) shall, upon the request of Agent, be endorsed to the order of Agent by Loan Parties and promptly delivered to Agent as so endorsed;

(g) investments by Loan Parties and their Subsidiaries in the form of Equity Interests received as part or all of the consideration for the sale of assets pursuant to a Disposition by any such Loan Party of Subsidiary to the extent permitted under Section 7.01(c) or otherwise approved by Agent;

(h) the existing investments of any Loan Party or Subsidiary thereof as of the date hereof in their respective Subsidiaries;

(i) investments made after the date hereof by (i) Parent in another Loan Party, (ii) a Non-US Subsidiary of a Loan Party in a Non-US Subsidiary of a Loan Party and (iii) any Loan Party to Forbes Energy Services de México, S. de R. L. de C.V. or Forbes Energy Services Ltd., Mexican Branch, in an amount not to exceed in the aggregate $750,000 *less* the aggregate amount of advances, loans or extensions of credit made pursuant to Section 7.05(c)(iv);

(j) Permitted Acquisitions;

(k) extensions of trade credit or other advances to customers on commercially reasonable terms in accordance with normal trade practice or otherwise in the ordinary course of business;

(l) loans or advances to employees, officers and directors to the extent permitted in Section 7.05(c); and

(m) investments in Minority Interest JV's and other investments in any Person where such investment has a fair market value (measured on the date each such investment was made and without giving effect to subsequent changes in value); provided that, (i) no Default or Event of Default has occurred and is continuing at the time of such investment and after giving effect thereto, (ii) the aggregate amount of all of such investments made pursuant to this clause (m) from and after the Closing Date, based on the investment amount on the date such investments were made, that remain outstanding, shall not exceed $500,000 in the aggregate (A) for that portion of the current fiscal year commencing on January 1, 2017 through and including December 31, 2017, and (B) for each fiscal year thereafter and (iii) Loan Parties shall have satisfied the Investment Conditions at the time of making any such investment and after giving effect thereto.

Section 7.05 Loans.

Make advances, loans or other extensions of credit to any Person, including, without limitation, any Subsidiary or Affiliate, except with respect to:

(a) the extension of commercial trade credit in connection with the sale of Inventory or the provision of services, each in the ordinary course of its business;

(b) deposits of cash for leases, utilities, worker's compensation and similar matters in the ordinary course of business; and

(c) advances, loans or extensions of credit made by (i) Parent to another Loan Party, (ii) a Loan Party (other than Parent) to another Loan Party, (iii) a Non-US Subsidiary of a Loan Party to a Non-US Subsidiary of a Loan Party and (iv) any Loan Party to Forbes Energy Services de México, S. de R. L. de C.V. or Forbes Energy Services Ltd., Mexican Branch, in an amount not to exceed in the aggregate $750,000 *less* the aggregate amount of investments made pursuant to Section 7.04(i)(iv).

Section 7.06 Dividends and Distributions.

Declare, pay or make any dividend or distribution or payment with respect to:

(a) any shares of the Equity Interests of any Loan Party or any of their Subsidiaries (other than dividends or distributions payable in its Equity Interests) or apply any of its funds, property or assets to the purchase, redemption or other retirement of any such Equity Interests (other than shares of the Equity Interests of Parent); except, that,

(i) Loan Parties and their Subsidiaries may make payments to their former employees, officers or directors in connection with the redemption or repurchase of Equity Interests issued by the Parent to such former employees, officers or directors upon their termination of employment with Loan Parties and their Subsidiaries or their death or disability, so long as, (A) the aggregate amount of all such payments does not exceed $1,000,000 in any fiscal year, subject to compliance with any applicable Management Incentive Plan or employment agreement, and (B) for the thirty (30) consecutive day period immediately preceding each such payment and as of the date of each such payment and after giving effect thereto, the Loan Parties shall have satisfied the Investment Conditions; and

(ii) Loan Parties and their Subsidiaries may make dividends and distributions to other Loan Parties and their Subsidiaries, so long as Investment Conditions have been satisfied on the date thereof and after giving effect thereto; provided, that, no such dividends and distributions shall be made to a Non-US Subsidiary by a US Loan Party; and

(b) any redemption, prepayment (whether mandatory or optional), defeasance, repurchase or any other payment in respect of any Subordinated Debt, or apply any of its funds, property or assets to the purchase, redemption or other retirement of any Subordinated Debt; except, that, mandatory payments may be made on Subordinated Debt to the extent expressly permitted in any subordination or intercreditor agreement executed by Agent with respect thereto.

Section 7.07 Indebtedness.

Create, incur, assume or suffer to exist any Indebtedness, except in respect of:

(a) the Obligations;

(b) the incurrence by the Loan Parties of Indebtedness represented by obligations under Capital Leases, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment used in the ordinary course of business of the Loan Parties or any of their Restricted Subsidiaries, as the case may be, incurred prior to, at the time of, or within 120 days after completion of the acquisition, design, construction, installation or improvement of such property, plant or equipment, in an aggregate principal amount, including all permitted refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (b), not to exceed, at any time outstanding, $12,000,000 (i) for the current fiscal year commencing on January 1, 2017 through and including December 31, 2017, and (ii) for each fiscal year thereafter;

(c) Indebtedness existing on the Closing Date as set forth on Schedule 7.08 and any refinancings, refundings, renewals or extensions thereof (without shortening the maturity thereof or increasing the principal amount thereof (excluding accrued interest, fees, discounts, premiums and expenses));

(d) Indebtedness expressly permitted by Section 7.03 and Section 7.05;

(e) Indebtedness arising under Hedging Agreements which are not entered into for speculative purposes and are intended to provide protection against fluctuations in interest rates or foreign currency exchange rates;

(f) Indebtedness in respect of netting services, overdraft protections, employee credit card programs and otherwise in connection with deposit accounts and Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently (except in the case of daylight overdrafts) drawn against insufficient funds in the ordinary course of business; provided, that, such Indebtedness is extinguished within five (5) Business Days of incurrence;

(g) Indebtedness in respect of bid, performance and surety bonds, including guarantees or obligations of the Loan Parties with respect to letters of credit supporting such bid, performance and surety bonds or other forms of credit enhancement supporting performance obligations under services contracts, workers' compensation claims, self-insurance obligations, unemployment insurance, health, disability and other employee benefits or property, casualty or liability insurance in each case incurred in the ordinary course of business; provided, that, upon Agent's request, Agent shall have received true, correct and complete copies of all material agreements, documents or instruments evidencing or otherwise related to such Indebtedness, as duly authorized, executed and delivered by the parties thereto;

(h) unsecured Indebtedness arising from agreements to provide for customary indemnification, adjustment of purchase price or similar obligations, earn-outs or other similar obligations, in each case, incurred in connection with a Permitted Acquisition or Disposition permitted hereunder; provided, that, in the case of any proposed payment of any earn-outs or other similar obligations, Loan Parties shall satisfy the Investment Conditions at the time such obligations were entered into;

(i) Indebtedness arising pursuant to financing of insurance premiums payable on insurance policies maintained by or for the benefit of Loan Parties or any of their Subsidiaries; provided, that, upon Agent's request, Agent shall have received true, correct and complete copies of all material agreements, documents and instruments evidencing or otherwise related to such Indebtedness;

(j) the incurrence by Loan Parties of refinancing Indebtedness in exchange for, or the net proceeds of which are used to, renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by this Agreement to be incurred under clauses (b), (c), (d) or (m) of this paragraph;

(k) the incurrence by a Loan Party or any of its Subsidiaries of intercompany Indebtedness between or among the Loan Parties and their Subsidiaries or between or among the Loan Parties' Subsidiaries to the extent permitted by Section 7.05;

(l) the guarantee by a Loan Party of Indebtedness of any other Loan Party or any of their Subsidiaries, as the case may be, that was permitted to be incurred by this Agreement; provided that, if the Indebtedness being guaranteed is subordinated to or pari passu with the Obligations, then the guarantee of such Indebtedness shall be subordinated to or pari passu with the Obligations, as applicable, to the same extent as the Indebtedness guaranteed;

(m) the incurrence by the Loan Parties or any of their Subsidiaries of Indebtedness in respect of workers' compensation claims and self-insurance obligations;

(n) Indebtedness incurred in connection with letters of credit, purchasing cards and credit cards and secured pursuant to clause (r) of the definition of Permitted Liens; and

(o) additional unsecured Indebtedness of Loan Parties and their Subsidiaries in an aggregate principal amount not to exceed $5,000,000 at any one time outstanding.

For purposes of determining compliance with this Section 7.07, in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of permitted Indebtedness described in clauses (a) through (n) above, the Loan Parties will be permitted to classify such item of Indebtedness on the date of its incurrence, or later reclassify all or a portion of such item of Indebtedness, in any manner that complies with this Section 7.07, and such item of Indebtedness will be treated as having been incurred pursuant to such category. The accrual of interest, the accretion or amortization of original issue discount, if applicable, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on preferred stock so reclassified in the form of additional shares of the same class of preferred stock so reclassified will not be deemed to be an incurrence of Indebtedness for purposes of this Section 7.07. Notwithstanding any other provision of this Section 7.07, the maximum amount of Indebtedness that Loan Parties may incur pursuant to this Section 7.07 shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

Section 7.08 **Nature of Business**.

(a) Substantially change the nature of the business in which it is presently engaged and similar, related or complementary businesses subsequently engaged in, nor except as specifically permitted hereby purchase or invest, directly or indirectly, in any assets or property other than in the ordinary course of business for assets or property which are useful in, necessary or appropriate for and are to be used in its business as presently conducted or similar, related or complementary businesses.

(b) Permit any Inactive Subsidiary to engage in any business, operations or activity, or hold any property or incur any obligations, other than (i) holding the issued and outstanding Equity Interests of its Subsidiaries, (ii) paying taxes, (iii) holding directors' and shareholders' meetings, preparing corporate and similar records and other activities required to maintain its separate corporate or other legal structure, (iv) preparing reports to, and preparing and making notices to and filings with, Governmental Bodies and to its holders of Equity Interests, and (v) activities required by this Agreement and the Other Documents. Notwithstanding the foregoing, an Inactive Subsidiary may engage in business, operations or activity, or hold property or incur obligation upon at least five (5) Business Days prior written notice to Agent and, if such Inactive Subsidiary is a US Subsidiary and is not already a Loan Party, such Inactive Subsidiary shall expressly join this Agreement as a Loan Party and shall comply with the same requirements that would be applicable to a newly formed Subsidiary pursuant to Section 7.11.

Section 7.09 **Transactions with Affiliates**.

Directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise deal with, any Affiliate, except for:

(a) transactions, arrangements and other business activities entered into in the ordinary course of business, on an arm's-length basis on terms no less favorable than terms which would have been obtainable from a Person other than an Affiliate;

(b) any employment or compensation arrangement or agreement, employee benefit plan or arrangement, officer or director indemnification agreement or any similar arrangement or other compensation arrangement entered into in good faith, for actual services rendered to any Loan Party or any Subsidiary, by any Loan Party and the Subsidiaries in the ordinary course of business and non-cash payments, issuance of securities or awards pursuant thereto, and including the grant of stock options, restricted stock, stock appreciation rights, phantom stock awards or similar rights to employees and directors in each case approved by the Board of Directors of such Loan Party;

(c) transactions, arrangements and other business activities with Affiliates in existence as of the Closing Date that are described in Loan Parties' Form 10-K and Form 10-Q filings most recently filed with the SEC or set forth in an attachment to any employment agreement relating to Loan Party officers; and

(d) transactions among Loan Parties and their Subsidiaries expressly permitted by Section 7.01(c), Section 7.03(b), Section 7.04(h), Section 7.05(c), Section 7.05(d) and Section 7.06.

Section 7.10 Leases.

After the Closing Date, enter as lessee into any lease arrangement for Equipment or Real Property (unless capitalized and permitted under Section 7.07) if after giving effect thereto, aggregate annual rental payments for all leased property would exceed, for all Loan Parties and their Subsidiaries, an amount equal to (a) $6,000,000 in the aggregate (i) for the current fiscal year commencing on January 1, 2017 through and including December 31, 2017, and (ii) for each fiscal year thereafter, or (b) such higher amount as Agent may approve in its sole discretion. Any renewal, replacement or extension of any lease or lease arrangement that exists as of the Closing Date shall not be taken into account for the purposes of this Section 7.10.

Section 7.11 Subsidiaries.

(a) Form any Subsidiary (other than an Insignificant Subsidiary) unless (i) such Subsidiary expressly joins in this Agreement as a Loan Party, becomes jointly and severally liable for, or otherwise guaranties, all of the Obligations and grants a Lien on substantially all of its assets to secure all of the Obligations and consents to the pledge of its Equity Interests to secure all of the Obligations in form and substance reasonably satisfactory to Agent (in each case, except (A) to the extent that such assets constitute Excluded Assets and (B) no such guarantee or grant shall be required by a Foreign Subsidiary that is a CFC, (ii) Agent is provided with a pledge of all of the outstanding Equity Interests of such Subsidiary (65% of the Equity Interests of any Non-US Subsidiary) to secure all of the Obligations in form and substance reasonably satisfactory to Agent (except to the extent that such Equity Interests constitutes Excluded Assets), and (iii) Agent shall have received fifteen (15) days prior written notice thereof (along with an update of Schedule 5.02(b)) and all documents, including collateral documents, guaranties, corporate authority documents and legal opinions, as Agent may require in its reasonable discretion in connection therewith, all in form and substance reasonably satisfactory to Agent; provided, that, investments in any Subsidiary which Loan Parties may form in accordance with this Section 7.11(a) may only be made to the extent permitted by Section 7.04.

(b) Enter into any JV, unless (i) Loan Parties shall have satisfied the Investment Conditions at the time of (A) entering into any such JV and (B) each proposed contribution of capital or other property to such JV and after giving effect thereto, (ii) any Indebtedness incurred, or to be incurred, by Loan Parties in connection with such JV must be permitted pursuant to Section 7.07, (iii) the total cash and non-cash consideration paid and/or invested by Loan Parties and their Subsidiaries in connection with all JV's (including, without limitation, assumption or incurrence of Indebtedness in connection therewith and all contributions of capital or other property to all JV's) shall not exceed (A) in the case of Majority Interest JV's, the Permitted Acquisitions/JV Cap Amount, and (B) in the case of Minority Interest JV's, the amount that is permitted by Section 7.04(l), and (iv) concurrently with entering into such JV, Loan Parties shall have validly pledged to Agent, and granted to Agent a Lien in and upon, for the ratable benefit of Agent and Secured Parties, all of Loan Parties' Equity Interests in such JV, subject only to Permitted Encumbrances, to the extent that such Equity Interests do not constitute an Excluded Asset.

Section 7.12 Fiscal Year and Accounting Changes.

Change its fiscal year-end from December 31, or make any change (a) in accounting treatment and reporting practices except as required by GAAP consistently applied or (b) in tax reporting treatment except as required by law.

Section 7.13 **Pledge of Credit**.

Now or hereafter pledge Agent's or any Lender's credit on any purchases or for any purpose.

Section 7.14 **Amendment of Organizational Documents**.

(a) Except as contemplated in connection with the Bankruptcy Case, amend, modify or waive any term or provision of its certificate of formation, limited liability company agreement, certificate of incorporation, by-laws, partnership agreement or other applicable documents relating to such Loan Party's or Subsidiary's formation or governance, or any shareholders agreement, each as in effect on the Closing Date and after giving effect to the Plan of Reorganization, unless Agent is provided prior five (5) Business Days' prior written notice of any such amendment, modification or waiver and such amendment, modification or waiver is not materially adverse in any respect to Agent and the Lenders; or

(b) Amend, modify or waive any term or provision of any Material Contract not specified in another clause of this Section 7.14, unless Agent is provided prior five (5) Business Days' prior written notice of any such amendment, modification or waiver and such amendment, modification or waiver is not materially adverse in any respect to Agent and the Lenders.

Section 7.15 **Compliance with ERISA**.

(a) Maintain, or permit any member of the Controlled Group to maintain, or become obligated to contribute, or permit any member of the Controlled Group to become obligated to contribute, to any Title IV Plan, other than those Title IV Plans disclosed on Schedule 5.08(d), (b) engage, or permit any member of the Controlled Group to engage, in any non-exempt "prohibited transaction", as that term is defined in Section 406 of ERISA and Section 4975 of the Code, (c) fail to satisfy, or permit any member of the Controlled Group to fail to satisfy the applicable "minimum funding standard", as that term is defined in Section 302 of ERISA or Section 412 of the Code, (d) terminate, or permit any member of the Controlled Group to terminate, any Title IV Plan where such event could result in any liability of any Loan Party or any member of the Controlled Group or the imposition of a Lien on the property of any Loan Party or any member of the Controlled Group pursuant to Section 4068 of ERISA, (e) assume, or permit any member of the Controlled Group to assume, any obligation to contribute to any Multiemployer Plan not disclosed on Schedule 5.08(d), (f) incur, or permit any member of the Controlled Group to incur, any withdrawal liability to any Multiemployer Plan, except to the extent that the failure to comply, individually or in the aggregate, could not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect, (g) fail promptly to notify Agent of the occurrence of any Termination Event, (h) fail to comply, or permit a member of the Controlled Group to fail to comply, with any material requirements of ERISA or the Code or other applicable laws in respect of any Plan or (i) fail to meet, or permit any member of the Controlled Group to fail to meet, all minimum funding requirements under ERISA or the Code or postpone or delay or allow any member of the Controlled Group to postpone or delay any funding requirement with respect of any Title IV Plan.

Section 7.16 **Prepayment, Etc. of Money Borrowed**.

At any time, directly or indirectly, voluntarily prepay any Money Borrowed (other than the Obligations), or voluntarily repurchase, redeem, retire or otherwise acquire any Money Borrowed of any Subsidiary of any Loan Party, in each case prior to the due date thereof; except, that, so long as no Event of Default shall have occurred and be continuing, Loan Parties may voluntarily prepay, repurchase, redeem, retire or otherwise acquire any other Indebtedness for Money Borrowed in an aggregate amount not to exceed $1,000,000 in any twelve (12) month period following the Closing Date.

Section 7.17 State of Organization/Names/Locations.

Change the jurisdiction in which it is incorporated or otherwise organized as in effect on the Closing Date after giving effect to the Plan of Reorganization, or change its legal name (or use a different name), location of chief executive office or location of any of the Collateral consisting of a Loan Party's books and records, unless Borrower has given Agent not less than ten (10) Business Days' prior written notice thereof (along with an update of Schedule 4.04, Schedule 4.14(c), Schedule 5.02(a) and Schedule 5.06, as applicable) and Loan Parties have taken (or caused to be taken) all steps required by Agent with respect thereto (including without limitation all steps required by Agent to maintain Agent's Lien on such Collateral, as well as the priority and effectiveness of such Lien); provided, that, no Loan Party shall change its jurisdiction of incorporation or organization or location of any of its Collateral to a jurisdiction or location from (a) the continental United States to outside of the continental United States or (b) one country to another country.

Section 7.18 Foreign Assets Control Regulations, Etc.

None of the requesting or borrowing of the Term Loans or the use of the proceeds of any thereof will violate the Trading With the Enemy Act (50 U.S.C. §1 et seq., as amended) (the "Trading With the Enemy Act") or any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) (the "Foreign Assets Control Regulations") or any enabling legislation or executive order relating thereto (including, but not limited to (a) Executive order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "Executive Order") and (b) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56)). Neither Borrower nor any other Loan Party is or will become a Sanctioned Entity or Sanctioned Person as described in the Executive Order, the Trading with the Enemy Act or the Foreign Assets Control Regulations or engages or will engage in any dealings or transactions, or be otherwise associated, with any such Sanctioned Entity or Sanctioned Person.

ARTICLE VIII
CONDITIONS PRECEDENT.

Section 8.01 Conditions to Borrowing.

The agreement of Lenders to make the Term Loans requested to be made on the Closing Date is subject to the satisfaction, or waiver by Lenders, immediately prior to or concurrently with the making of such Term Loans, of the following conditions precedent, all in form and substance acceptable to the Required Lenders, and to the extent affecting the rights, duties, obligations, protections, privileges, immunities or indemnities of Agent, Agent:

(a) *Agreement*. Agent shall have received this Agreement duly executed and delivered by an authorized officer of each of the parties hereto;

(b) *Term Notes*. The applicable Lenders shall have received the Term Notes duly executed and delivered by an authorized officer of the Borrower in favor of such Lenders;

(c) *Filings, Registrations, Recordings and Searches*. Each document (including, without limitation, any UCC financing statement) required by this Agreement, any Other Document or under law or reasonably requested by the Required Lenders to be filed, registered or recorded in order to create, in favor of Agent, a perfected Lien upon the Collateral shall have been properly filed, registered or recorded in each jurisdiction in which the filing, registration or recordation thereof is so required or requested, and Agent shall have received an acknowledgment copy, or other evidence satisfactory to it, of each such filing, registration or recordation and satisfactory evidence of the payment of any necessary fee, tax or expense relating thereto. In addition to, and not in limitation of, the foregoing, within ninety (90) days of the Closing Date, Agent or the Title Agent shall have received all titles for Well Services Equipment consisting of titled motor vehicles in existence as of the Closing Date, to the extent required by Section 4.02(a). Agent shall also have received UCC, tax, judgment and other Lien searches with respect to each Loan Party in such jurisdictions as the Required Lenders shall require, and the results of such searches shall be satisfactory to the Required Lenders;

(d) *Pre-Petition Credit Agreement.* Except with respect to Liens on assets described in clause (e) or the definition of Excluded Assets, statutory and depository Liens arising in connection with depository and cash management arrangements with Pre-Petition Lender, and any other Liens permitted by the Plan of Reorganization, release of Liens by the Pre-Petition Lenders under the Prepetition Credit Agreement, payment in full and termination of the Pre-Petition Commitments and discharge and release of all guarantees in support of, the Pre-Petition Credit Agreement, in each case pursuant to documentation in form and substance satisfactory to the Lenders, and receipt by Agent of satisfactory evidence thereof;

(e) *Corporate Proceedings of Loan Parties*. Agent shall have received a copy of the resolutions of the board of directors (or equivalent authority) of each Loan Party authorizing (i) the execution, delivery and performance of this Agreement and the Other Documents to which it is a party, and (ii) the granting by each Loan Party of the Liens upon the Collateral in each case certified by the Secretary or an Assistant Secretary of each Loan Party as of the Closing Date; and, such certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate;

(f) *Incumbency Certificates of Loan Parties*. Agent shall have received a certificate of the Secretary or an Assistant Secretary of each Loan Party, dated as of the Closing Date, as to the incumbency and signature of the officers of each Loan Party executing this Agreement, any certificate or Other Documents to be delivered by it pursuant hereto, together with evidence of the incumbency of such Secretary or Assistant Secretary;

(g) *Certificates*. Agent shall have received a copy of the certificate of formation, limited liability company agreement, certificate of incorporation, by-laws, partnership agreement or other applicable documents relating to each Loan Party's formation and governance, and all amendments thereto, certified in the case of formation documents filed with a Governmental Body by the Secretary of State or other appropriate official of its jurisdiction of incorporation or formation and certified in the case of other formation and governance documents as accurate and complete by the Secretary or Assistant Secretary of each Loan Party;

(h) *Good Standing Certificates*. Agent shall have received good standing certificates for each Loan Party dated not more than thirty (30) days prior to the Closing Date, issued by the Secretary of State or other appropriate official of each such Loan Party's jurisdiction of incorporation or formation and each jurisdiction where the conduct of each Loan Party's business activities or the ownership of its properties necessitates qualification;

(i) *Legal Opinion*. Agent shall have received the executed legal opinions of Loan Parties' U.S. legal counsel which shall cover such matters incident to the transactions contemplated by this Agreement and the Other Documents as the Required Lenders may reasonably require and each Loan Party hereby authorizes and directs such counsel to deliver such opinions to Agent and Lenders;

(j) *No Litigation*. (i) Except for litigation and claims set forth on Schedule 8.01(i), no litigation, investigation or proceeding before or by any arbitrator or Governmental Body shall be continuing or threatened in writing against any Loan Party or against the officers or directors of any Loan Party in connection with this Agreement and/or the Other Documents or any of the transactions contemplated thereby and which, in the reasonable opinion of Agent, is deemed material; and (ii) no injunction, writ, restraining order or other order of any nature materially adverse to any Loan Party or the conduct of its business or inconsistent with the due consummation of the transactions contemplated by this Agreement shall have been issued by any Governmental Body;

(k) *Fees and Expenses*. Agent shall have received all fees payable to Agent and Lenders on or prior to the Closing Date pursuant to Section 3.02 and the Fee Letter and all reimbursable expenses of Agent (including fees, disbursements and expenses of its counsel) invoiced to date in accordance with this Agreement;

(l) *Financial Statements*. Agent shall have received a copy of the financial statements referred to in Section 5.05;

(m) *Other Documents*. Agent shall have received fully executed copies of all Other Documents to the extent required to be executed on the Closing Date;

(n) *Insurance*. Agent shall have received insurance certificates and loss payable endorsements naming Agent as loss payee or additional insured, as applicable, with respect to Loan Parties' property and liability insurance policies;

(o) *Payment Instructions*. Agent shall have received written instructions from the Borrower directing the application of proceeds of the Term Loan made pursuant to this Agreement;

(p) *Depository Accounts*. Agent shall have received duly executed control agreements relating to the Loan Parties' depository accounts (including the Master Account) with financial institutions granting a security interest therein, which control agreements shall be in form and substance satisfactory to the Required Lenders;

(q) *Consents*. Agent shall have received any and all Consents necessary to permit the effectuation of the transactions contemplated by this Agreement and the transactions contemplated hereby; and, Agent shall have received such Consents and waivers of such third parties as might assert claims with respect to the Collateral, as Agent and its counsel shall deem necessary;

(r) *No Adverse Material Change*. Other than the restructuring resulting in the Bankruptcy Case, since September 30, 2016, there shall not have occurred any event, condition or state of facts which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect;

(s) *Motor Vehicle Titles Servicing Agreement*. Agent and the Title Agent shall have entered into an agreement, in form and substance satisfactory to Agent and the Required Lenders, regarding the processing of titles for Well Services Equipment consisting of titled motor vehicles which are in existence as of the Closing Date, consistent with Section 4.02(a);

(t) *Equity Interests Pledge*. Agent shall have received a pledge agreement, executed by each applicable Loan Party in favor of Agent, pursuant to which such Loan Party shall pledge to Agent and grant to Agent a Lien upon all of the outstanding Equity Interests of each Subsidiary (other than Equity Interests, if any, constituting Excluded Assets) of such Loan Party, together with share powers duly executed in blank and originals of any related share, membership or other similar certificates;

(u) *Shares of Parent*. Parent shall have issued to the Lenders on a pro rata basis based on the funded Term Loans of such Lenders, shares of New Common Stock constituting an aggregate of 10% of the shares of such New Common Stock issued in exchange for the Senior Notes in the Plan of Reorganization plus such 10%, but not including shares issued or issuable under the Management Incentive Plan;

(v) *Contract Review*. The Required Lenders shall have reviewed all material contracts of Loan Parties, including, without limitation and to the extent applicable as determined by the Required Lenders, leases, union contracts, labor contracts, vendor supply contracts, license agreements and distributorship agreements and such contracts and agreements shall be satisfactory in all respects to the Required Lenders;

(w) *Representations and Warranties*. Each of the representations and warranties made by any Loan Party in or pursuant to this Agreement and any Other Document to which it is a party, and each of the representations and warranties contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement or any Other Document shall be true and correct in all material respects (without duplication of any materiality qualifiers already set forth therein; or in all respects with respect to representations and warranties made on the Closing Date) on and as of such date as if made on and as of such date, except to the extent that such representations and warranties expressly relate solely to an earlier date (in which case such representations and warranties shall have been true and correct in all material respects (without duplication of any materiality qualifiers already set forth therein) on and as of such earlier date);

(x) *No Default*. No Event of Default or Default shall have occurred and be continuing on such date, or would exist after giving effect to the Term Loans requested to be made, on such date;

(y) *Confirmation Order*. The Confirmation Order shall have been entered by the Bankruptcy Court and shall have become final and non-appealable; and

(z) *Other*. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to the Required Lenders and their counsel, and to the extent affecting the rights, duties, obligations, protections, privileges, immunities or indemnities of Agent, Agent.

ARTICLE IX
INFORMATION AS TO LOAN PARTIES.

Until all of the Obligations are Paid in Full, each Loan Party shall:

Section 9.01 **Disclosure of Material Matters Pertaining to Collateral**.

Immediately upon learning thereof, report to Agent all matters materially affecting the value, enforceability or collectability of any portion of the Collateral including, without limitation, any

Loan Party's reclamation or repossession of, or the return to any Loan Party of, a material amount of goods or claims or disputes asserted by any Customer or other obligor.

Section 9.02 **Collateral and Related Reports**.

(a) Promptly, deliver to Agent (i) current certificates of insurance and loss payee endorsements for all insurance policies which Loan Parties and their Subsidiaries are required to maintain pursuant to Section 4.10, immediately following the renewal of each such policy and any amendments thereto; and (ii) such other reports and information as to the Collateral, Loan Parties or their Subsidiaries as Agent shall request from time to time in its reasonable discretion;

(b) Promptly upon the occurrence thereof, deliver to Agent notice of termination or breach of any material contract of a Loan Party or any of their Subsidiaries which could reasonably be expected to result in a Material Adverse Effect;

(c) All Collateral reporting which shall be provided to Agent pursuant to this Sections 9.02 shall be delivered to Agent electronically (or other manner reasonably satisfactory to Agent) and in form and substance satisfactory to Agent.

Section 9.03 **Environmental Reports**.

Furnish Agent, concurrently with the delivery of the financial statements referred to in Section 9.06, with a certificate signed by the Chief Executive Officer of the Borrower stating, to the best of such officer's knowledge, that each Loan Party and each of their respective Subsidiaries is in compliance with the covenants of this Agreement that relate to Environmental Laws. To the extent any Loan Party or any Subsidiary of any Loan Party is not in compliance with any Environmental Laws, the certificate shall set forth with specificity all areas of non-compliance and the proposed action such Loan Party or Subsidiary, as applicable, will implement in order to achieve full compliance.

Section 9.04 **Litigation**.

Promptly (but in any event within five (5) Business Days thereafter) notify Agent in writing of (or of any judgment, settlement or other material development in) any litigation, suit or administrative proceeding affecting any Loan Party or any Subsidiary, whether or not the claim is covered by insurance, and of (or of any material development in) any suit or administrative proceeding, which in any such matter could reasonably be expected to (i) result in liability in excess of $500,000 or (ii) have a Material Adverse Effect.

Section 9.05 **Material Occurrences**.

Promptly (but in any event within the applicable time period set forth below) notify Agent in writing upon the occurrence of (a) any Event of Default or Default, within two (2) Business Days of the occurrence thereof; (b) any event, development or circumstance whereby any financial statements or other reports furnished to Agent fail in any material respect to present fairly, in accordance with GAAP consistently applied, the financial condition or operating results of any Loan Party or any Subsidiary of any Loan Party as of the date of such statements, within five (5) Business Days of the occurrence thereof; (c) any accumulated retirement plan funding deficiency which, if such deficiency continued for two (2) plan years and was not corrected as provided in Section 4971 of the Code, could subject any Loan Party or any Subsidiary of any Loan Party to a tax imposed by Section 4971 of the Code, within ten (10) Business Days of the occurrence thereof; (d) each and every default by any Loan Party or any Subsidiary of any Loan Party which might result in the acceleration of the maturity of any material Indebtedness, including the names and addresses of the holders of such Indebtedness with respect to which there is a default existing or with respect to which the maturity has been or could be accelerated, and the amount of such Indebtedness, in each case within two (2) Business Days of the occurrence thereof; and (e) any other development in the business or affairs of any Loan Party or any Subsidiary of any Loan Party which could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; in each case describing the nature thereof and the action Loan Parties or such Subsidiaries propose to take with respect thereto, in each case within five (5) Business Days of the occurrence thereof.

Section 9.06 Annual Financial Statements.

Furnish Agent and each Lender within ninety (90) days after the end of each fiscal year of Loan Parties (or, if such due date is not a Business Day, then on the next Business Day), financial statements of Loan Parties and their Subsidiaries on a consolidated basis, including, but not limited to, statements of income and stockholders' equity and cash flow from the beginning of the current fiscal year to the end of such fiscal year and the balance sheet as at the end of such fiscal year, all prepared in accordance with GAAP applied on a basis consistent with prior practices, and in reasonable detail and reported upon without qualification by an independent certified public accounting firm selected by Loan Parties and satisfactory to Agent (the "Accountants"); provided that BDO USA, LLP is agreed to be satisfactory to Agent as of the Closing Date. The report of the Accountants shall be accompanied by copies of all management letters, exception reports or similar letters or reports received by Loan Parties or their Subsidiaries from the Accountants. In addition, the reports shall be accompanied by a Compliance Certificate of a Responsible Officer of the Borrower which shall state that, based on an examination sufficient to permit such Responsible Officer to make an informed statement, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Loan Parties with respect to such event. Loan Parties may elect to satisfy their obligations under the first sentence of this Section 9.06 with respect to any fiscal year in which the Parent is a reporting company under the Exchange Act by the filing of Parent's Form 10-K with the SEC, and the availability of same on the SEC's website shall constitute "furnishing" to Agent and Lenders of the annual financial statements as required by the first sentence of this Section 9.06, subject to the time period required by such first sentence of this Section 9.06.

Section 9.07 Quarterly Financial Statements.

Furnish Agent and each Lender with respect to each of Loan Parties' fiscal quarters, on or before the earlier to occur of (a) forty-five (45) days after the end of such fiscal quarter (or, if such due date is not a Business Day, then on the next Business Day), and (b) at any time when Parent is a reporting company under the Exchange Act, the date on which the Loan Parties filed their SEC Form 10-Q for such fiscal quarter, an unaudited balance sheet of Loan Parties and their Subsidiaries on a consolidated and consolidating basis and unaudited statements of income of Loan Parties and their Subsidiaries on a consolidated and consolidating basis reflecting results of operations from the beginning of the fiscal year to the end of such fiscal quarter and for such fiscal quarter, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year-end adjustments that individually and in the aggregate are not material to the business of Loan Parties or their Subsidiaries. Each such balance sheet and statement of income shall set forth a comparison of the figures for the current fiscal quarter and the current year-to-date with the figures for the same fiscal quarter and year-to-date period of the immediately preceding fiscal year. The Loan Parties shall also provide to Agent and each Lender within such time periods a comparison of such financial statements to the projections for such fiscal period and year-to-date period delivered pursuant to Section 9.11(b). The financial statements shall be accompanied by a Compliance Certificate signed by a Responsible Officer of the Borrower, which shall state that, based on an examination sufficient to permit such Responsible Officer to make an informed statement, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Loan Parties with respect to the events giving rise to such Default or Event of Default. Each Compliance Certificate shall additionally set forth (i) the aggregate amount of Capital Expenditures made by Loan Parties during the fiscal quarter in connection with which such Compliance Certificate is delivered and (ii) the cash and Cash Equivalents of the Parent and its Subsidiaries that are not Restricted as of the end of such fiscal quarter. At any time when Parent is a reporting company under the Exchange Act, Loan Parties may elect to satisfy their obligations under the first sentence of this Section 9.07 with respect to any fiscal quarter by the filing of Parent's Form 10-Q with the SEC, and the availability of same on the SEC's website shall constitute "furnishing" to Agent and Lenders of the quarterly financial statements as required by the first sentence of this Section 9.07, subject to the time period required by such first sentence of this Section 9.07.

Section 9.08 Monthly Financial Statements.

Furnish Agent and each Lender within thirty (30) days after the end of each month (or, if such due date is not a Business Day, then on the next Business Day), an unaudited balance sheet of Loan Parties and their Subsidiaries on a consolidated and consolidating basis and unaudited statements of income of Loan Parties and their Subsidiaries on a consolidated and consolidating basis reflecting results of operations from the beginning of the fiscal year to the end of such month and for such month, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year-end adjustments that individually and in the aggregate are not material to the business of Loan Parties or their Subsidiaries, and subject to the absence of footnotes. Each such balance sheet shall set forth a comparison to the prior year end audited financial statements and each statement of income shall set forth a comparison of the figures for (a) the current fiscal period and the current year-to-date with the figures for the same fiscal period and year-to-date period of the immediately preceding fiscal year. The Loan Parties shall also provide to Agent and each Lender within such time periods a comparison of such financial statements to the projections for such fiscal period and year-to-date period delivered pursuant to Section 9.11(b). The financial statements shall be accompanied by a Compliance Certificate signed by a Responsible Officer of the Borrower, which shall state that, based on an examination sufficient to permit such Responsible Officer to make an informed statement, no Default or Event of Default exists, or, if such is not the case, specifying such Default or Event of Default, its nature, when it occurred, whether it is continuing and the steps being taken by Loan Parties with respect to the events giving rise to such Default or Event of Default. Each Compliance Certificate shall additionally set forth the aggregate amount of Capital Expenditures made by Loan Parties during the month in connection with which such Compliance Certificate is delivered.

Section 9.09 Notices re Equityholders.

At any time when Parent is a reporting company under the Exchange Act, furnish promptly to Agent copies of such financial statements, reports and returns as Parent shall file with the SEC; provided, that, filing with the SEC of Parent's annual reports on Form 10 K and current reports on Form 8-K shall constitute "furnishing" to Agent for purposes of this Section 9.09.

Section 9.10 Additional Information.

Furnish promptly to Agent or any requesting Lender such additional information as Agent or such Lender shall reasonably request in order to enable Agent or such Lender to determine whether Loan Parties are in compliance with the terms, covenants, provisions and conditions of this Agreement and the Other Documents.

Section 9.11 **Projections**.

(a) Furnish Agent on a quarterly basis on or before the thirtieth (30th) day after the end of each calendar quarter, a Rolling Budget.

(b) Furnish Agent, no later than fifteen (15) days after the beginning of each Loan Party's fiscal years, commencing with Loan Party's fiscal year which commences on January 1, 2017, a month by month projection and cash flow of Loan Parties and their Subsidiaries on a consolidated basis for such fiscal year (including an income statement for each month and a balance sheet as at the end of the last month in each fiscal quarter), such projections to be accompanied by a certificate signed by a Responsible Officer of Borrower to the effect that such projections have been prepared in good faith on a basis consistent with Loan Party's historical financial statements.

Section 9.12 **Notice of Governmental Body Items**.

Furnish Agent with prompt (and, in any event, not more than five (5) Business Days) notice of (a) any lapse or other termination of any Consent issued to any Loan Party or any Subsidiary of any Loan Party by any Governmental Body or any other Person that is material to the operation of any Loan Party's or such Subsidiaries' business, (b) any refusal by any Governmental Body or any other Person to renew or extend any such Consent; and (c) copies of any periodic or special reports filed by any Loan Party or any Subsidiary of any Loan Party with any Governmental Body or Person, if such reports indicate any material change in the business, operations, affairs or condition of any Loan Party or any such Subsidiary, or if copies thereof are requested by Agent or any Lender, (d) copies of any material notices and other communications from any Governmental Body or Person which specifically relate to any Loan Party or any Subsidiary of any Loan Party and (e) any federal, state, local or other income tax return of any Loan Party or Subsidiary that has been filed becoming the subject of an audit.

Section 9.13 **ERISA Notices and Requests**.

Furnish Agent with immediate written notice in the event that (a) any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group knows or has reason to know that a Termination Event has occurred, together with a written statement describing such Termination Event and the action, if any, which such Loan Party, such Subsidiary of any Loan Party or member of the Controlled Group has taken, is taking, or proposes to take with respect thereto and, when known, any action taken or threatened by the IRS, Department of Labor or PBGC with respect thereto, (b) any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group knows or has reason to know that a prohibited transaction (as defined in Sections 406 of ERISA and 4975 of the Code) has occurred, together with a written statement describing such transaction and the action which such Loan Party, such Subsidiary of any Loan Party or any member of the Controlled Group has taken, is taking or proposes to take with respect thereto, (c) a funding waiver request has been filed with respect to any Title IV Plan together with all communications received by any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group with respect to such request, (d) any increase in the benefits of any existing Title IV Plan or the establishment of any new Title IV Plan or the commencement of contributions to any Title IV Plan to which any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group was not previously contributing shall occur, (e) any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group shall receive from the PBGC a notice of intention to terminate a Title IV Plan or to have a trustee appointed to administer a Title IV Plan, together with copies of each such notice, (f) any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group shall receive any favorable or unfavorable determination letter from the IRS regarding the qualification of a Title IV Plan, together with copies of each such letter; (g) any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group shall receive a notice regarding the imposition of withdrawal liability, together with copies of each such notice; (h) any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group shall fail to make a required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or payment; (i) any Loan Party, any Subsidiary of any Loan Party or any member of the Controlled Group knows that a (i) Multiemployer Plan has been terminated, (ii) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, or (iii) the PBGC has instituted or will institute proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan.

Section 9.14 **Notice of Change in Management, Etc**.

Furnish Agent with prompt (and, in any event, not more than five (5) Business Days subsequent to the event) notice of any person either (a) becoming after the date hereof an executive officer or director of any Loan Party or (b) departing after the date hereof as an executive officer or director of any Loan Party.

Section 9.15 **Additional Documents**.

Execute and deliver to Agent, upon request, such documents and agreements as Agent may, from time to time, request in its reasonable discretion from any Loan Party to carry out the purposes, terms or conditions of this Agreement and the Other Documents.

ARTICLE X
EVENTS OF DEFAULT.

The occurrence of any one or more of the following events shall constitute an "Event of Default":

Section 10.01 **Payments**. Failure by any Loan Party to pay (a) any payment of principal or interest on any Term Loans when due and payable, and (b) any other Obligations within five (5) Business Days of when such Obligations are due and payable, whether at maturity or by reason of acceleration pursuant to the terms of this Agreement or any Other Document;

Section 10.02 **Covenants**. Failure by Loan Parties to perform, keep or observe:

(a) any provision of Sections 4.02, 4.09, 4.10, 6.02(a), 9.05(a), or 9.06 or Article VII;

(b) any provision of Section 9.04 or 9.05 (other than 9.05(a)), which is not cured within five (5) days after the date thereof; provided, that, such five (5) day period shall not apply in the case of any failure to observe any such provision which is not capable of being cured at all;

(c) any provision of Sections 9.02, 9.08 or 9.11, which is not cured within ten (10) days after the date thereof; provided, that, (i) such ten (10) day period shall not apply in the case of any failure to observe any such provision which is not capable of being cured at all, and (ii) such ten (10) day period shall not apply in the case of any failure to observe Section 9.08 if Loan Parties have failed to observe Section 9.08 on three (3) or more occasions during the twelve (12) months immediately preceding the occurrence of the subject failure; or

(d) any other provision of this Agreement or any provision of any Other Document (to the extent such breach is not otherwise embodied in any other provision of this Article X for which a different grace or cure period is specified or which constitute an immediate Event of Default under this Agreement or the Other Documents), which is not cured within thirty (30) days after the earlier to occur of (i) any Loan Party becoming aware of such failure or (ii) any Lender providing notice to any Loan Party of such failure; provided, that, such thirty (30) day period shall not apply in the case of any failure to observe any such provision which is not capable of being cured at all;

Section 10.03 **Representations and Warranties**. Any representation or warranty made or deemed made by any Loan Party in this Agreement or any Other Document or in any certificate, document or financial or other statement furnished at any time in connection herewith or therewith shall prove to have been misleading in any material respect (without duplication of any materiality qualifiers already set forth herein) on the date when made or deemed to have been made;

Section 10.04 **Liens**. Except for Permitted Encumbrances, issuance of a notice of Lien, levy, assessment, injunction or attachment against a material portion of any Loan Party's or any Subsidiary of any Loan Party's property which is not (a) bonded pending appeal within thirty (30) days, or (b) stayed or lifted pending appeal within sixty (60) days;

Section 10.05 **Judgments**. Any (a) judgment or judgments for payment of money are rendered or judgment Liens for payment of money filed against one or more Loan Parties or Subsidiaries of Loan Parties for an amount, individually or in the aggregate, in excess of $500,000, which within sixty (60) days of such rendering or filing is not either appealed, satisfied, stayed or discharged of record; or (b) action is taken to enforce any Lien over the assets of any Loan Party (or any analogous procedure or step is taken in any jurisdiction) for an amount, individually or in the aggregate, in excess of $500,000;

Section 10.06 **Bankruptcy; Insolvency**. From and after the Petition Date, except in connection with the Bankruptcy Case, any Loan Party or any Subsidiary of any Loan Party shall (a) apply for, consent to or suffer the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or similar fiduciary of itself or of all or a substantial part of its property, (b) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (c) make a general assignment for the benefit of creditors, (d) commence a voluntary case under any state, federal or other bankruptcy laws (as now or hereafter in effect), (e) be adjudicated a bankrupt or insolvent, (f) file a petition seeking to take advantage of any other law providing for the relief of debtors, (g) acquiesce to, or fail to have dismissed, within sixty (60) days, any petition filed against it in any involuntary case under such bankruptcy laws, or (h) take any action for the purpose of effecting any of the foregoing;

Section 10.07 **Collateral**. Any Lien created hereunder or provided for hereby or under any Other Document in any Collateral having a value in excess of $500,000 in the aggregate for any reason ceases to be or is not a valid and perfected Lien having a first priority interest (except for Permitted Encumbrances);

Section 10.08 **Other Agreements**. Any default under any documents, instruments or agreements to which any Loan Party, any Subsidiary or any Loan Party is a party or by which any of its properties is bound, relating to any Indebtedness (other than the Obligations) individually or in aggregate in excess of $500,000, which default continues for more than the applicable cure period, if any, with respect thereto;

Section 10.09 **Change of Control.** Any Change of Control shall occur.

Section 10.10 **Agreement and Other Documents**. Any material provision hereof or of any of the Other Documents shall for any reason cease to be valid, binding and enforceable with respect to any party hereto or thereto in accordance with its terms, or any such party (other than Agent and Lenders) shall challenge the enforceability hereof or thereof, or shall assert in writing, or take any action or fail to take any action based on the assertion that any material provision hereof or of any of the Other Documents has ceased to be or is otherwise not valid, binding or enforceable in accordance with its terms;

Section 10.11 **Criminal Proceedings**. The indictment by any Governmental Body of any Loan Party or any Subsidiary of any Loan Party of which any Loan Party, such Subsidiary or Agent receives notice, in either case, as to which there is a reasonable possibility of an adverse determination, in the good faith determination of Agent, under any criminal statute, or commencement or threatened commencement of criminal proceedings against such Loan Party or such Subsidiary, pursuant to which criminal statute or proceedings the penalties or remedies sought or available include forfeiture of (a) any of the Collateral having a value in excess of $500,000, or (b) any other property of the Loan Parties and their Subsidiaries taken as a whole, which is necessary or material to the conduct of the business of the Loan Parties and their Subsidiaries taken as a whole;

Section 10.12 **Collateral Matters**. Any material portion of the Collateral shall be seized or taken by a Governmental Body, or any Loan Party or the title and rights of any Loan Party in and to any material portion of the Collateral shall have become the subject matter of litigation which might, in the opinion of Agent, upon final determination, result in impairment or loss of a material portion of the Collateral provided by this Agreement or the Other Documents;

Section 10.13 **Orders**. The operations of any Loan Party's or any Subsidiary's facilities is interrupted in any material respect by virtue of any determination, ruling, decision, decree or order of any court or Governmental Body of competent jurisdiction, and such interruption could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; or

Section 10.14 **ERISA**. An event or condition specified in Section 7.15 or Section 9.13 shall occur or exist with respect to any Plan and, as a result of such event or condition, together with all other such events or conditions, any Loan Party or any member of the Controlled Group shall incur a liability to a Plan or the PBGC (or both) in excess of $500,000.

ARTICLE XI
LENDERS' RIGHTS AND REMEDIES AFTER EVENT OF DEFAULT.

Section 11.01 **Rights and Remedies**.

Upon the occurrence of (a) an Event of Default pursuant to Section 10.06, all Obligations shall be immediately due and payable and this Agreement shall be deemed terminated, and (b) any of the other Events of Default and at any time thereafter, Agent may (and at the direction of Required Lenders, shall) declare that all or any portion of the Obligations shall be immediately due and payable and Agent or Required Lenders shall have the right to terminate this Agreement. Upon the occurrence and during the continuance of any Event of Default, Agent shall have the right to exercise any and all other rights and remedies provided for herein, under the UCC and at law or equity generally, including, without limitation, the right to foreclose the Liens granted herein and in the Other Documents and to realize upon any Collateral by any available judicial procedure and/or to take possession of and sell any or all of the Collateral with or without judicial process. Agent may enter any Loan Party's premises or other premises without legal process and without incurring liability to any Loan Party therefor, and Agent may thereupon, or at any time thereafter, in its discretion, without notice or demand, take the Collateral and remove the same to such place as Agent may deem advisable and Agent may require Loan Parties to make the Collateral available to Agent at a convenient place. With or without having the Collateral at the time or place of sale, Agent may sell the Collateral, or any part thereof, at public or private sale, at any time or place, in one or more sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as Agent may elect. Except as to that part of the Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Agent shall give Loan Parties reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to Loan Parties at least ten (10) days prior to such sale or sales is reasonable notification. At any public sale Agent or any Lender may bid for and become the purchaser, and Agent, any Lender or any other purchaser at any such sale thereafter shall hold the Collateral sold absolutely free from any claim or right of whatsoever kind, including any equity of redemption and such right and equity are hereby expressly waived and released by each Loan Party. Agent may specifically disclaim any warranties of title or the like at any sale of Collateral. In connection with the exercise of the foregoing remedies, Agent shall have the right to use all of each Loan Party's Intellectual Property and other proprietary rights (subject to any licenses and other usage rights therein granted in favor of other Persons) which are used in connection with (i) Inventory for the purpose of disposing of such Inventory and (ii) Equipment for the purpose of completing the manufacture of unfinished goods, in each case without any obligation to compensate any Loan Party therefor.

Section 11.02 Waterfall.

(b) So long as no Waterfall Event has occurred and is continuing and except as otherwise provided with respect to Defaulting Lenders, all principal and interest payments, shall be apportioned ratably among the Lenders (according to their Commitment Percentages thereof) and all payments of fees, costs and expenses (other than fees, costs or expenses that are for Agent's or any Lender's separate account) shall be apportioned ratably among the Lenders according to their Commitment Percentages thereof (it being understood that all costs and expenses due and owing to Agent and not reimbursed by Lenders, shall first be paid in full before any such payments are made to any of the Lenders). Payments for the purposes of this clause (a) shall include proceeds of Collateral received by Agent.

(c) At any time that a Waterfall Event has occurred and is continuing and except as otherwise provided with respect to Defaulting Lenders, all payments remitted to Agent and all proceeds of Collateral received by Agent shall be applied to the Obligations as follows (it being understood that in the event that any Lender, as opposed to Agent, receives such payment or proceeds from any source other than Agent, such Lender shall remit such payment or proceeds, as applicable, to Agent for application to the Obligations as provided in this Agreement): first, to the Obligations consisting of fees, costs and expenses (including attorneys' fees and expenses) due to, or incurred, by Agent in connection with this Agreement or any Other Document and to interest thereon not reimbursed by Lenders until paid in full; second, pro rata to interest due to Lenders upon any of the Term Loans and to the Obligations consisting of costs and expenses (including attorneys' fees and expenses) incurred by Lenders in connection with (and to the extent payable or reimbursable to Lenders under) this Agreement or any Other Document according to their respective Commitment Percentages thereof until paid in full; third, pro rata to fees due to the Lenders in connection with this Agreement or any Other Document according to their respective Commitment Percentages thereof until paid in full; and fourth, pro rata to any other Obligations.

(d) If any deficiency shall arise, Loan Parties shall remain liable to Agent and Lenders therefor. If it is determined by an authority of competent jurisdiction that a disposition by Agent did not occur in a commercially reasonably manner, Agent may obtain a deficiency judgment for the difference between the amount of the Obligation and the amount that a commercially reasonable sale would have yielded. Agent will not be considered to have offered to retain the Collateral in satisfaction of the Obligations unless Agent has entered into a written agreement with Loan Party to that effect.

Section 11.03 Agent's Discretion.

Agent shall have the right in its reasonable discretion to determine which rights, Liens or remedies Agent may at any time pursue, relinquish, subordinate, or modify or to take any other action with respect thereto and such determination will not in any way modify or affect any of Agent's or Lenders' rights hereunder.

Section 11.04 Setoff.

In addition to any other rights and remedies which Agent or any Lender may have under applicable law, this Agreement or any Other Document, upon the occurrence and during the continuance of an Event of Default hereunder, Agent or such Lender and their Affiliates shall have a right to setoff and apply any Loan Party's property held by Agent or such Lender, or such Affiliate to reduce the Obligations, all without notice to Loan Parties. No Lender or Affiliate shall setoff or apply such property without the prior written consent of Agent.

Section 11.05 Rights and Remedies not Exclusive.

The enumeration of the foregoing rights and remedies is not intended to be exhaustive and the exercise of any right or remedy shall not preclude the exercise of any other right or remedies provided for herein or otherwise provided by law, all of which shall be cumulative and not alternative.

Section 11.06 Commercial Reasonableness.

To the extent that applicable law imposes duties on Agent or any Lender to exercise remedies in a commercially reasonable manner (which duties cannot be waived under such law), each Loan Party acknowledges and agrees that it is not commercially unreasonable for Agent or any Lender (a) to fail to incur expenses reasonably deemed necessary or appropriate by Agent or any Lender to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain consents of any Governmental Body or other third party for the collection or disposition of Collateral to be collected or disposed of, (c) to fail to exercise collection remedies against account debtors, secondary obligors or other Persons obligated on Collateral or to remove Liens or encumbrances on or any adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other Persons, whether or not in the same business as any Loan Party, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the collateral is of a specialized nature, (h) to dispose of Collateral by utilizing Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to purchase insurance or credit enhancements to insure Agent or Lenders against risks of loss, collection or disposition of Collateral or to provide to Agent or Lenders a guaranteed return from the collection or disposition of Collateral, or (l) to the extent deemed appropriate by Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any of the Collateral. Each Loan Party acknowledges that the purpose of this Section is to provide non-exhaustive indications of what actions or omissions by Agent or any Lender would not be commercially unreasonable in the exercise by Agent or any Lender of remedies against the Collateral and that other actions or omissions by Agent or any Lender shall not be deemed commercially unreasonable solely on account of not being indicated in this Section. Without limitation of the foregoing, nothing contained in this Section shall be construed to grant any rights to any

Loan Party or to impose any duties on Agent or Lenders that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section.

ARTICLE XII
WAIVERS AND JUDICIAL PROCEEDINGS.

Section 12.01 Waiver of Notice.

Each Loan Party hereby waives demand, presentment, protest and notice thereof with respect to any and all instruments, notice of acceptance hereof, notice of loans or advances made, credit extended, Collateral received or delivered, or any other action taken in reliance hereon, and all other demands and notices of any description, except such as are expressly provided for herein or as otherwise by law.

Section 12.02 Delay.

No delay or omission on Agent's or any Lender's part in exercising any right, remedy or option shall operate as a waiver of such or any other right, remedy or option or of any Default or Event of Default.

Section 12.03 Jury Waiver.

EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT OR ANY OTHER DOCUMENT, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER DOCUMENT, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE AND EACH PARTY HEREBY CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 12.04 Waiver of Counterclaims.

Each Loan Party waives all rights to interpose any claims, deductions, setoffs or counterclaims of any nature (other than compulsory counterclaims) in any action or proceeding with respect to this Agreement, the Obligations, the Collateral or any matter arising therefrom or relating hereto or thereto.

ARTICLE XIII
EFFECTIVE DATE AND TERMINATION.

Section 13.01 Term.

This Agreement, which shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of each Loan Party, Agent and each Lender, shall become effective on the date hereof and shall continue in full force and effect until the earliest of (a) [●], 2021, (b) the acceleration of all Obligations pursuant to the terms of this Agreement or (c) the date on which this Agreement shall be terminated in accordance with the provisions hereof or by operation of law (the "Termination Date"). Loan Parties may terminate this Agreement at any time upon thirty (30) days' prior written notice upon Payment in Full of all of the Obligations.

Section 13.02 Termination.

The termination of the Agreement shall not affect any Loan Party's, Agent's or any Lender's rights, or any of the Obligations arising or incurred prior to the effective date of such termination, and each of the provisions of this Agreement and of the Other Documents shall continue to be fully operative until all of the Obligations have been Paid in Full. The Liens and rights granted to Agent and Lenders hereunder and the financing statements filed hereunder shall continue in full force and effect, notwithstanding the termination of this Agreement or the fact that the Disbursement Account may from time to time be temporarily in a zero or credit position, until all of the Obligations have been Paid in Full. Accordingly, each Loan Party waives any rights which it may have under Section 9-513 of the UCC to demand the filing of termination statements with respect to the Collateral, and Agent shall not be required to send such termination statements to each Loan Party, or to file them with any filing office, until all of the Obligations have been Paid in Full. All representations, warranties, covenants, waivers and agreements contained herein and in the Other Documents shall survive termination hereof until all of the Obligations have been Paid in Full.

ARTICLE XIV
REGARDING AGENT.

Section 14.01 Appointment.

Each Lender hereby designates Wilmington Trust, National Association to act as Agent for such Lender under this Agreement and the Other Documents. Each Lender hereby irrevocably appoints, designates and authorizes Agent to enter into a services agreement with Title Agent in substantially the form attached hereto as Exhibit D. Each Lender hereby irrevocably authorizes Agent to take such action on its behalf under the provisions of this Agreement and the Other Documents and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto. Agent may perform any of its duties hereunder by or through its agents or employees. As to any matters not expressly provided for by this Agreement (including without limitation, collection of the Term Notes) Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Required Lenders, and such instructions shall be binding; provided, however, that, Agent shall not be required to take any action which exposes Agent to liability or which is contrary to this Agreement or the Other Documents or applicable law unless Agent is furnished with an indemnification satisfactory to Agent with respect thereto.

Section 14.02 Nature of Duties.

Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the Other Documents. None of Agent or any Lender, nor any of their respective officers, directors, employees or agents shall be (a) liable for any action taken or omitted by them as such under this Agreement or any Other Document or in connection herewith or therewith, unless caused by their gross (not mere) negligence or willful misconduct, as determined pursuant to a final, non-appealable order of a court of competent jurisdiction, or (b) responsible in any manner for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement, or in any of the Other Documents or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any of the Other Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, or any of the Other Documents or for any failure of Loan Party to perform its obligations hereunder. Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any of the Other Documents, or to inspect or appraise the properties, books or records of any Loan Party or any other Person. The duties of Agent in respect of the Term Loans shall be mechanical and administrative in nature; Agent shall not have by reason of this Agreement or any Other Document a fiduciary relationship in respect of any Secured Party, nor shall the Agent constitute a trustee in respect of any Secured Party; and nothing in this Agreement or any Other Document, expressed or implied, is intended to or shall be so construed as to impose upon Agent any obligations in respect of this Agreement or any Other Document except as expressly set forth herein or therein.

Section 14.03 Lack of Reliance on Agent and Resignation.

(a) Independently and without reliance upon Agent or any other Lender, each Lender has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of each Loan Party and each other Person in connection with the making and the continuance of the Term Loans hereunder and the taking or not taking of any action in connection with this Agreement or any Other Document, and (ii) its own appraisal of the creditworthiness of each Loan Party and each other Person. Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before making of the Term Loans or at any time or times thereafter except to the extent, if any, expressly required in this Agreement. Agent shall not be responsible to any Lender for any recitals, statements, information, representations or warranties herein or in any agreement, document, certificate or a statement delivered in connection with or for the execution, effectiveness, genuineness, validity, enforceability, perfection, priority, collectability or sufficiency of this Agreement or any Other Document, the Collateral, or of the financial condition of any Loan Party or any other Person, or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement, the Term Notes, the Other Documents, the Collateral, or the financial condition of any Loan Party or any other Person, or the existence of any Event of Default or any Default.

(b) Agent may resign on thirty (30) days' written notice to each of Lenders and Borrower and upon such resignation, the Required Lenders will promptly designate a successor Agent with the consent to Borrower, which consent of Borrower shall not be unreasonably withheld, conditioned or delayed (provided, that, if an Event of Default has occurred and is continuing, no such consent of Borrower shall be required). If no such successor Agent is appointed at the end of such thirty (30) day period, Agent may designate one of the Lenders as a successor Agent, and shall give the Borrower immediate notice of such appointment. If no Lender accepts such designation, Required Lenders shall serve as the successor Agent, and Agent shall remain entitled to so resign.

(c) Any such successor Agent shall succeed to the rights, powers and duties of Agent, and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent's powers and duties as Agent shall be terminated, without any other or further act or deed on the part of such former Agent. After any Agent's resignation as Agent, the provisions of this Section 14, Section 16.05 and Section 16.10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

Section 14.04 Certain Rights of Agent.

If Agent shall request instructions from Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any Other Document, Agent shall be entitled to refrain from such act or taking such action unless and until Agent shall have received instructions from the Required Lenders; and Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, Lenders shall not have any right of action whatsoever against Agent as a result of its acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders.

Section 14.05 Reliance.

Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or facsimile message, cablegram, email, order or other document or telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper Person, and, with respect to all legal matters pertaining to this Agreement and the Other Documents and its duties hereunder, upon advice of counsel selected by it. Agent may employ agents and attorneys-in-fact and shall not be liable for the default or misconduct of any such agents or attorneys-in-fact selected by Agent with reasonable care.

Section 14.06 Notice of Default.

Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder or under the Other Documents, unless Agent has received notice from a Lender or the Borrower referring to this Agreement or the Other Documents, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that Agent receives such a notice, Agent shall give notice thereof to Lenders. Subject to Section 14.01, Agent shall take such action with respect to such Default or Event of Default (including, without limitation, the institution of the Default Rate pursuant to Section 3.01) as shall be reasonably directed by the Required Lenders; provided, that, unless and until Agent shall have received such directions, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default (including, without limitation, the institution of the Default Rate pursuant to Section 3.01) as it shall deem advisable in the best interests of Lenders.

Section 14.07 Indemnification.

To the extent Agent is not timely reimbursed and indemnified by Loan Parties, each Lender promptly will reimburse and indemnify Agent and its officers, directors, Affiliates, employees, representatives and agents in proportion to its respective Commitment Percentage from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, fees, expenses and disbursements of counsel) arising from any action, litigation, proceeding, dispute or investigation which may be imposed on, incurred by, or asserted against Agent in any litigation, proceeding, dispute or investigation instituted or conducted by any Governmental Body or any other Person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, this Agreement or the Other Documents, on in connection with performing any of its duties, functions or activities under this Agreement or under any Other Document, or in any way relating to or arising out of this Agreement or any Other Document whether or not Agent is a party thereto, except to the extent that any of the foregoing arises out of the gross (not mere) negligence or willful misconduct of Agent, as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. Nothing contained in this Section 14.07 shall in any manner limit, impair, waive or otherwise affect Loan Parties reimbursement and indemnification Obligations at any time owing to Agent.

Section 14.08 Agent in its Individual Capacity.

Agent may engage in business with any Loan Party as if it were not performing the duties specified herein, and may accept fees and other consideration from any Loan Party for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

Section 14.09 Actions in Concert.

Anything in this Agreement to the contrary notwithstanding, each Lender hereby agrees with each other Lender and Agent that (a) Agent shall have the exclusive right to enforce and exercise all rights and remedies of Agent and Lenders hereunder and under the Other Documents at all times following the occurrence and during the continuance of an Event of Default, on behalf of Agent and all Lenders, subject to the direction of Required Lenders as provided for herein, and (b) no Lender shall take any action to protect or enforce its rights arising out of this Agreement or the Other Documents (including exercising any rights of setoff or compensation) without first obtaining the prior written consent of Agent or Required Lenders, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the Term Notes shall be taken in concert and at the direction or with the consent of Agent or Required Lenders.

Section 14.10 Intercreditor Agreements/Subordination Agreements.

Each Lender hereby irrevocably appoints, designates and authorizes Agent to enter into any subordination or intercreditor agreement pertaining to any Subordinated Debt, on its behalf and to take such action on its behalf under the provisions of any such agreement. Each Lender further agrees to be bound by the terms and conditions of any subordination or intercreditor agreement pertaining to any Subordinated Debt.

Section 14.11 Agent Determinations.

Each reference in this Agreement to any action, determination, exercise of discretion or other conduct of similar import by or with respect to "Agent" shall be deemed to refer to such action, determination, exercise of discretion or other conduct taken, made or exercised, as the case may be, by the Agent acting, where applicable, upon written instructions of the Required Lenders, except with respect to administrative and ministerial matters of Agent, matters relating to rights, duties, protections, privileges, indemnities and immunities of Agent, and assignments and transfers in accordance with Section 16.03.

ARTICLE XV
GUARANTEE.

Section 15.01 Guarantee; Contribution Rights.

Each Guarantor hereby unconditionally guarantees, as a primary obligor and not merely as a surety, jointly and severally with each other Guarantor when and as due, whether at maturity, by acceleration, by notice of prepayment or otherwise, the due (whether at the stated maturity, by acceleration or otherwise) and punctual performance of all Obligations. Each payment made by any Guarantor pursuant to this Guarantee shall be made in lawful money of the United States in immediately available funds without offset, counterclaim or deduction of any kind.

Anything in this Article XV to the contrary notwithstanding, the maximum liability of each Guarantor under this Article XV shall in no event exceed the amount which can be guaranteed by such Guarantor under applicable federal and state laws relating to the insolvency of debtors (after giving effect to the right of contribution established in the following paragraph). It being understood that no amendments or other modifications to this Agreement or any of the Other Documents need to be made to implement the provisions of this paragraph and instead the implementation of the provisions of this paragraph shall occur automatically.

Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 15.09(d). The provisions of this paragraph shall in no respect limit the obligations and liabilities of any Guarantor to Agent and Lenders, and each Guarantor shall remain liable to Agent and Lenders for the full amount guaranteed by such Guarantor hereunder.

Section 15.02 Waivers.

Each Guarantor hereby absolutely, unconditionally and irrevocably waives (a) promptness, diligence, notice of acceptance, notice of presentment of payment and any other notice hereunder, (b) demand of payment, protest, notice of dishonor or nonpayment, notice of the present and future amount of the Obligations and any other notice with respect to the Obligations, (c) any requirement that Agent or any Lender protect, secure, perfect or insure any Lien or any property subject thereto or exhaust any right or take any action against any other Loan Party, or any Person or any Collateral, (d) any other action, event or precondition to the enforcement hereof or the performance by each such Guarantor of the Obligations, (e) any defense arising by any lack of capacity or authority or any other defense of any Loan Party or any notice, demand or defense by reason of cessation from any cause of Obligations other than Payment in Full of all of the Obligations, and (f) any defense that any other guarantee or security was or was to be obtained by Agent or any Lender.

Section 15.03 No Defense.

No invalidity, irregularity, voidableness, voidness or unenforceability of this Agreement or any Other Document or any other agreement or instrument relating thereto, or of all or any part of the Obligations or of any collateral security therefor shall affect, impair or be a defense hereunder.

Section 15.04 Guarantee of Payment.

The Guarantee hereunder is one of payment and performance, not collection, and the obligations of each Guarantor hereunder are independent of the Obligations of the other Loan Parties, and a separate action or actions may be brought and prosecuted against any Guarantor to enforce the terms and conditions of this Article XV, irrespective of whether any action is brought against any other Loan Party or other Persons or whether any other Loan Party or other Persons are joined in any such action or actions. Each Guarantor waives any right to require that any resort be had by Agent or any Lender to any security held for payment of the Obligations or to any balance of any deposit account or credit on the books of Agent or any Lender in favor of any Loan Party or any other Person. No election to proceed in one form of action or proceedings, or against any Person, or on any Obligations, shall constitute a waiver of Agent's right to proceed in any other form of action or proceeding or against any other Person unless Agent has expressed any such right in writing. Without limiting the generality of the foregoing, no action or proceeding by Agent against any Loan Party under any document evidencing or securing Indebtedness of any Loan Party to Agent shall diminish the liability of any Guarantor hereunder, except to the extent Agent receives actual payment on account of Obligations by such action or proceeding, notwithstanding the effect of any such election, action or proceeding upon the right of subrogation of any Guarantor in respect of any Loan Party and/or otherwise.

Section 15.05 Liabilities Absolute.

The liability of each Guarantor hereunder shall be absolute, unlimited and unconditional and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason, including, without limitation, any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any claim, defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any Obligation or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor shall not be discharged or impaired, released, limited or otherwise affected by:

(a) any change in the manner, place or terms of payment or performance, and/or any change or extension of the time of payment or performance of, release, renewal or alteration of, or any new agreements relating to any Obligation, any security therefor, or any liability incurred directly or indirectly in respect thereof, or any rescission of, or amendment, waiver or other modification of, or any consent to departure from, this Agreement or any Other Document, including any increase in the Obligations resulting from the extension of additional credit to the Borrower or otherwise;

(b) any sale, exchange, release, surrender, loss, abandonment, realization upon any property by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, all or any of the Obligations, and/or any offset there against, or failure to perfect, or continue the perfection of, any Lien in any such property, or delay in the perfection of any such Lien, or any amendment or waiver of or consent to departure from any other guarantee for all or any of the Obligations;

(c) the failure of Agent or any Lender to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Loan Party or any other Person under the provisions of this Agreement or any Other Document or any other document or instrument executed and delivered in connection herewith or therewith;

(d) any settlement or compromise of any Obligation, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and any subordination of the payment of all or any part thereof to the payment of any obligation (whether due or not) of any Loan Party to creditors of any Loan Party other than any other Loan Party;

(e) any manner of application of Collateral, or proceeds thereof, to all or any of the Obligations, or any manner of sale or other disposition of any Collateral for all or any of the Obligations or any other assets of any Loan Party; and

(f) any other agreements or circumstance of any nature whatsoever that may or might in any manner or to any extent vary the risk of any Guarantor, or that might otherwise at law or in equity constitute a defense available to, or a discharge of, the Guarantee hereunder and/or the obligations of any Guarantor, or a defense to, or discharge of, any Loan Party or any other Person or party hereto or the Obligations or otherwise with respect to the Term Loans or other financial accommodations to the Borrower pursuant to this Agreement and/or the Other Documents or otherwise.

Section 15.06 Waiver of Notice.

Except as otherwise contemplated hereunder, Agent shall have the right to do any of the above without notice to or the consent of any Guarantor and each Guarantor expressly waives any right to notice of, consent to, knowledge of and participation in any agreements relating to any of the above or any other present or future event relating to Obligations whether under this Agreement or otherwise or any right to challenge or question any of the above and waives any defenses of such Guarantor which might arise as a result of such actions.

Section 15.07 Agent's Discretion.

Agent may at any time and from time to time (whether prior to or after the revocation or termination of this Agreement) without the consent of, or notice to, any Guarantor, and without incurring responsibility to any Guarantor or impairing or releasing the Obligations, apply any sums by whomsoever paid or howsoever realized to any Obligations regardless of what Obligations remain unpaid.

Section 15.08 Reinstatement.

The Guarantee provisions herein contained shall continue to be effective or be reinstated, as the case may be, if claim is ever made upon Agent or any Lender for repayment or recovery of any amount or amounts received by Agent or such Lender in payment or on account of any of the Obligations and Agent or such Lender repays all or part of said amount for any reason whatsoever, including, without limitation, by reason of any judgment, decree or order of any court or administrative body having jurisdiction over Agent or such Lender or the respective property of each, or any settlement or compromise of any claim effected by Agent or such Lender with any such claimant (including any Loan Party); and in such event each Guarantor hereby agrees that any such judgment, decree, order, settlement or compromise or other circumstances shall be binding upon such Guarantor, notwithstanding any revocation hereof or the cancellation of any note or other instrument evidencing any Obligation, and each Guarantor shall be and remain liable to Agent and/or Lenders for the amount so repaid or recovered to the same extent as if such amount had never originally been received by Agent or such Lenders.

Section 15.09 No Marshalling, Etc.

(a) Agent shall not be required to marshal any assets in favor of any Guarantor, or against or in payment of Obligations.

(b) No Guarantor shall be entitled to claim against any present or future security held by Agent or any Lender from any Person for Obligations in priority to or equally with any claim of Agent or any Lender, or assert any claim for any liability of any Loan Party to any Guarantor in priority to or equally with claims of Agent or any Lender for Obligations, and no Guarantor shall be entitled to compete with Agent or any Lender with respect to, or to advance any equal or prior claim to any security held by Agent or any Lender for Obligations.

(c) If any Loan Party makes any payment to Agent or any Lender, which payment is wholly or partly subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to any Person under any federal or provincial or other statute or at common law or under equitable principles, then to the extent of such payment, the Obligation intended to be paid shall be revived and continued in full force and effect as if the payment had not been made, and the resulting revived Obligation shall continue to be guaranteed, uninterrupted, by each Guarantor hereunder.

(d) All present and future monies payable by any Loan Party or any other Guarantor to any Guarantor, whether arising out of a right of subrogation, contribution or otherwise, are assigned to Agent for its benefit and for the ratable benefit of Lenders as security for such Guarantor's liability to Agent and Lenders hereunder and, except as set forth in the final sentence of this Section 15.09(d), are postponed and subordinated to Agent's and Lenders' prior right to Payment in Full of all of the Obligations. Except to the extent prohibited or contemplated otherwise by this Agreement, all monies received by any Guarantor from any Loan Party shall be held by such Guarantor as agent and trustee for

Agent and Lenders. This assignment, postponement and subordination shall only terminate when all of the Obligations are Paid in Full. Notwithstanding anything contained in this Section 15.09(d), absent the occurrence and continuation of an Event of Default, the Loan Parties shall not be prohibited from paying any amounts due and owing to any other Loan Party or any of their Subsidiaries, provided such payment is not otherwise expressly prohibited by this Agreement.

(e) Each Loan Party acknowledges this assignment, postponement and subordination and, except as otherwise set forth herein, in the event that an Event of Default has occurred and is continuing, agrees to make no payments to any Guarantor without the prior written consent of Agent. Each Loan Party agrees to give full effect to the provisions hereof.

Section 15.10 Action Upon Event of Default.

Upon the occurrence and during the continuance of any Event of Default, Agent may and upon written request of the Required Lenders shall, without notice to or demand upon any Loan Party, any Guarantor or any other Person, declare all or any portion of the Obligations of such Guarantor hereunder immediately due and payable, and shall be entitled to enforce the Obligations of each Guarantor. Upon such declaration by Agent, Agent, Lenders and any of their Affiliates are hereby authorized at any time and from time to time to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other Indebtedness at any time owing by Agent or Lenders to or for the credit or the account of any Guarantor against any and all of the Obligations of each Guarantor now or hereafter existing hereunder in accordance with the terms of this Agreement, whether or not Agent or Lenders shall have made any demand hereunder against any other Loan Party and although such Obligations may be contingent and unmatured. The rights of Agent and Lenders hereunder are in addition to other rights and remedies (including other rights of set-off) which Agent and Lenders may have. Upon such declaration by Agent, with respect to any claims (other than those claims referred to in the immediately preceding paragraph) of any Guarantor against any Loan Party (the "Claims"), Agent shall have the full right on the part of Agent in its own name or in the name of such Guarantor to collect and enforce such Claims by legal action, proof of debt in bankruptcy or other liquidation proceedings, vote in any proceeding for the arrangement of debts at any time proposed, or otherwise, Agent and each of its officers being hereby irrevocably constituted attorneys-in-fact for each Guarantor for the purpose of such enforcement and for the purpose of endorsing in the name of each Guarantor any instrument for the payment of money. Each Guarantor will receive as trustee for Agent and will pay to Agent forthwith upon receipt thereof any amounts which such Guarantor may receive from any Loan Party on account of the Claims. Each Guarantor agrees that at no time hereafter will any of the Claims be represented by any notes or other negotiable instruments or writings, except and in such event they shall either be made payable to Agent, or if payable to any Guarantor, shall forthwith be endorsed by such Guarantor to Agent. Each Guarantor agrees that no payment on account of the Claims or any Lien therein shall be created, received, accepted or retained during the continuance of any Event of Default nor shall any financing statement be filed with respect thereto by any Guarantor.

Section 15.11 Statute of Limitations.

Any acknowledgment or new promise, whether by payment of principal or interest or otherwise and whether by any Loan Party or others (including any Lenders) with respect to any of the Obligations shall, if the statute of limitations in favor of any Guarantor against Agent or Lenders shall have commenced to run, toll the running of such statute of limitations and, if the period of such statute of limitations shall have expired, prevent the operation of such statute of limitations.

Section 15.12 Interest.

All amounts due, owing and unpaid from time to time by any Guarantor hereunder shall bear interest at the Cash Interest Rate and the PIK Interest Rate per annum, as applicable, then chargeable with respect to Term Loans.

Section 15.13 Guarantor's Investigation.

Each Guarantor acknowledges receipt of a copy of each of this Agreement and the Other Documents. Each Guarantor has made an independent investigation of Loan Parties and of the financial condition of Loan Parties. Neither Agent nor any Lender has made, and Agent and Lenders do not hereby make, any representations or warranties as to the income, expense, operation, finances or any other matter or thing affecting any Loan Party nor has Agent or any Lender made any representations or warranties as to the amount or nature of the Obligations of any Loan Party to which this Section 15 applies as specifically herein set forth, nor has Agent or any Lender or any officer, agent or employee of Agent or any Lender or any representative thereof, made any other oral representations, agreements or commitments of any kind or nature, and each Guarantor hereby expressly acknowledges that no such representations or warranties have been made and such Guarantor expressly disclaims reliance on any such representations or warranties.

Section 15.14 Termination.

Subject to reinstatement as provided in Section 15.08, the provisions of this Article XV shall remain in effect until all of Obligations have been Paid in Full.

Section 15.15 Extension of Guarantee.

Without prejudice to the generality of this Article XV, each Guarantor expressly confirms that it intends that the guarantee provided in this Article XV shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the provisions of this Agreement or any Other Document and/or any facility or amount made available hereunder or thereunder.

Section 15.16 Applicability to Borrower.

Without limiting any of the Borrower's obligations under this Agreement or any Other Document, the Borrower shall also be considered a Guarantor for purposes of this Article XV to the extent the Borrower is not directly and primarily obligated with respect to the Obligations.

Section 15.17 Limitations Regarding ECP Guarantors.

Each Guarantor that qualifies as an "eligible contract participant" under Section 723(a)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (each an "ECP Guarantor") hereby jointly and severally, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to fulfill its obligations under this Agreement in respect of all Obligations at any time arising under Hedging Agreements (herein collectively referred to as "Hedge Obligations"); provided, that, each ECP Guarantor that, at the time the Hedge Obligations are incurred, has total assets in excess of $10,000,000 shall only be liable for the maximum amount of such liability that can be incurred without resulting in the obligations of such ECP Guarantor under this Section 15.17, as it relates to such Loan Party, being determined to be voidable under applicable law relating to fraudulent conveyance or fraudulent transfer by a final, non-appealable order of a court of competent jurisdiction, and not for any greater amount. The obligations of each ECP Guarantor under this Section 15.17 shall remain in full force and effect until the Obligations have been paid in full in accordance with the terms of this Agreement. Each ECP Guarantor intends that this Section

15.17 constitute, and this Section 15.17 shall be deemed to constitute, a "keepwell, support, other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v) (II) of the Commodity Exchange Act, provided, however, that notwithstanding anything to the contrary herein or in any Other Document, no amount received from any Guarantor shall be applied to any Excluded Hedging Obligations of such Guarantor.

ARTICLE XVI
MISCELLANEOUS.

Section 16.01 Governing Law; Consent to Jurisdiction; Etc.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York applied to contracts to be performed wholly within the State of New York, without regard to conflicts of laws principles. Any judicial proceeding brought by or against any Loan Party with respect to any of the Obligations, this Agreement or any Other Document may be brought in any court of competent jurisdiction located in the County and State of New York, United States of America, and, by execution and delivery of this Agreement, each Loan Party accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each Loan Party hereby waives personal service of any and all process upon it and consents that all such service of process may be made by registered mail (return receipt requested) directed to Borrower at its address set forth in Section 16.06 and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of the United States of America, or, at Agent's and/or any Lender's option, by service upon Borrower which each Loan Party irrevocably appoints as such Loan Party's agent for the purpose of accepting service within the State of New York. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Agent or any Lender to bring proceedings against any Loan Party in the courts of any other jurisdiction. Each Loan Party waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Any judicial proceeding by any Loan Party against Agent or any Lender involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this Agreement or any Other Document (except to the extent, if any, expressly provided otherwise in any Other Document), shall be brought only in a federal or state court located in the City of New York, State of New York.

Section 16.02 Entire Understanding; Amendments; Lender Replacements; Overadvances.

(a) This Agreement and the Other Documents executed concurrently herewith or on or after the Closing Date contain the entire understanding between each Loan Party, Agent and each Lender and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof or thereof. Any promises, representations, warranties or guarantees of Agent or any Lender to any Loan Party not herein contained or not contained in any Other Document executed on or after the Closing Date shall have no force and effect. Neither this Agreement nor any portion or provisions hereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing pursuant to clause (b) below. Any Default or Event of Default that occurs hereunder shall continue unless and until expressly waived in writing pursuant to clause (b) below. Each Loan Party acknowledges that it has been advised by counsel in connection with the execution of this Agreement and Other Documents and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement.

(b) Agent and the Required Lenders (or Agent with the consent in writing of the Required Lenders), and the Borrower may, subject to the provisions of this Section 16.02(b), from time to time enter into written amendments and supplemental agreements to this Agreement or the Other Documents executed by the Borrower, for the purpose of adding or deleting any provisions or otherwise changing, varying or waiving in any manner the rights of Lenders, Agent or Loan Parties hereunder or thereunder or the conditions, provisions or terms hereof or thereof or waiving any Default or Event of Default hereunder or thereunder, but only to the extent specified in such written agreements; provided, however, that, no such amendment or supplemental agreement shall:

(i) increase the Term Commitment of any Lender without the consent of Agent and the affected Lender;

(ii) extend the Term or the final scheduled maturity of any Term Loans or the due date for any amount payable hereunder, or decrease the rate of interest (other than the waiver of any default rate), reduce the principal amount of any outstanding Term Loans, or reduce any scheduled (as opposed to mandatory prepayment) principal payment or fee payable by the Borrower to Agent or a Lender pursuant to this Agreement or any Other Document, without the consent of Agent and each such Lender directly affected thereby;

(iii) alter the definition of the term Required Lenders or alter, amend or modify this Section 16.02(b) without the consent of Agent and all Lenders;

(iv) release all or a substantial portion of the Collateral without the consent of Agent and all Lenders;

(v) change the rights, duties, obligations, privileges, projections, immunities or indemnities of Agent without the consent of Agent;

(vi) release of any Loan Party from its Obligations hereunder, except in accordance with the terms of this Agreement;

(vii) subordinate the priority of the Liens in the Collateral in favor of Agent, for the benefit of Secured Parties, to any Liens therein held by any other Person; or

(viii) alter the priority of allocation of payments and proceeds of Collateral provided for in Section 11.02(b).

Any such amendment or supplemental agreement shall apply equally to each Lender and shall be binding upon Loan Parties, Lenders and Agent and all future holders of the Obligations. In the case of any waiver of a Default or Event of Default pursuant to a waiver provided in accordance with the above provisions of this Section 16.02(b), Loan Parties, Agent and Lenders shall be restored to their former positions and rights, and any Default or Event of Default waived shall be deemed to be cured and not continuing, but no waiver of a specific Default or Event of Default shall extend to any other Default or Event of Default or any subsequent Default or Event of Default (whether or not the subsequent Default or Event of Default is the same as the Default or Event of Default which was waived), or impair any right consequent thereon.

(c) In the event that (i) Agent requests the consent of a Lender pursuant to this Section 16.02 and such consent is denied, (ii) a Lender is a Defaulting Lender, (iii) a Lender is an Impacted Lender or (iv) a Lender is a Prior Defaulting/Impacted Lender, then, in each case, Agent may, at its option, require such Lender to assign its Term Loans and Term Commitments to Agent or to another

Lender or to any other Person designated by Agent (a "Designated Lender"), for a price equal to the then outstanding principal amount of all Term Loans held by such Lender plus accrued and unpaid interest and fees owing to such Lender, which interest and fees shall be paid when, and if, collected from the Borrower. In the event Agent elects to require any Lender to assign such Lender's Term Loans and Term Commitments to Agent or to a Designated Lender, Agent will so notify such Lender in writing within one hundred and eighty (180) days following such Lender's denial (or with respect to clauses (ii), (iii) or (iv)) above, during the time that such Lender is a Defaulting Lender, an Impacted Lender or a Prior Defaulting/Impacted Lender, as applicable, or within one hundred and eighty (180) days thereafter, and such Lender will assign its interest to Agent or the Designated Lender no later than five (5) days following receipt of such notice pursuant to a Commitment Transfer Supplement executed by such Lender (or Agent on behalf of such Lender if such Lender refuses to execute such Commitment Transfer Supplement within such time period; and each Lender hereby irrevocable authorizes Agent to so execute such a Commitment Transfer Supplement on its behalf), Agent or the Designated Lender, as appropriate, and Agent (if Agent is not the Designated Lender).

Section 16.03 Successors and Assigns; Participations; New Lenders; Taxes; Syndication.

(a) This Agreement and the Other Documents shall be binding upon and inure to the benefit of each Loan Party, Agent, each Lender, all future holders of the Obligations and their respective successors and assigns; except, that, no Loan Party may assign or transfer any of its rights or obligations under this Agreement or any Other Document (other than pursuant to a merger or consolidation of Loan Parties permitted hereunder) without the prior written consent of Agent and each Lender.

(b) Each Loan Party acknowledges that one or more Lenders may at any time and from time to time sell participating interests in the Term Loans to other Persons (each such transferee or purchaser of a participating interest, a "Transferee"). Borrower agrees that each Transferee shall be entitled to the benefits of Sections 3.05, 3.06 and 3.07 (subject to the requirements and limitations therein, and under Section 16.03(f) (it being understood that the documentation required under Section 16.03(f) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (c) of this Section; provided that such Transferee (A) agrees to be subject to the provisions of Section 3.05 as if it were an assignee under paragraph (c) of this Section; and (B) shall not be entitled to receive any greater payment under Sections 3.05 or 3.07, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Tax Law that occurs after the Transferee acquired the applicable participation. Each Transferee may exercise all rights of payment (including without limitation rights of set-off) with respect to the portion of such Term Loans held by it or other Obligations payable hereunder as fully as if such Transferee were the direct holder thereof; provided, that, Loan Parties shall not be required to pay to any Transferee more than the amount which it would have been required to pay to the Lender which granted an interest in its Term Loans or other Obligations payable hereunder to such Transferee, had such Lender retained such interest in the Term Loans hereunder or other Obligations payable hereunder, and in no event shall Loan Parties be required to pay any such amount arising from the same circumstances and with respect to the same Term Loans or other Obligations payable hereunder to both such Lender and such Transferee. Transferee's rights under Section 16.02 shall be limited to those items in Section 16.02(b) which require consent of each Lender or each directly affected Lender, as applicable. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Transferee and the principal amounts (and stated interest) of each Transferee's interest in the Term Loans hereunder or other Obligations payable hereunder (the "Transferee Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Transferee Register (including the identity of any Transferee or any information relating to a

Transferee's interest in any commitments, loans, letters of credit or its other obligations under any of the Obligations) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Transferee Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Transferee Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Transferee Register. Each Loan Party hereby grants to Agent, for the ratable benefit of each Secured Party, a continuing Lien in any deposits, moneys or other property actually or constructively held by such Transferee as security for the Transferee's interest in the Term Loans. Neither Agent nor any Lender (other than the Lender selling a participation) shall have any duty to any Transferee and may continue to deal solely with the Lender selling a participation as if no such sale had occurred.

(c) Any Lender may sell, assign or transfer all or any part of its Term Loans and Term Commitments (and related rights and obligations under this Agreement and the Other Documents) to Qualified Assignees (each a "Purchasing Lender"), in minimum amounts of not less than $1,000,000 (except such minimum amount shall not apply to (i) a sale, assignment or transfer by any Lender to an Affiliate of such Lender or to a group of new Lenders, each of which is an Affiliate of each other to the extent that the aggregate amount to be assigned to all such new Lenders is at least $1,000,000 or (ii) a sale, assignment or transfer by any Lender of all of its Term Commitments and all of its Term Loans of such Selling Lender), pursuant to a Commitment Transfer Supplement, executed by a Purchasing Lender, the transferor Lender, and Agent and delivered to Agent for recording. Upon such execution, delivery, acceptance and recording, from and after the transfer effective date determined pursuant to such Commitment Transfer Supplement, (A) Purchasing Lender thereunder shall be a party to this Agreement and the Other Documents as a Lender and, to the extent transferred pursuant to such Commitment Transfer Supplement, have Term Commitments and outstanding Term Loans, and (B) the transferor Lender thereunder shall, to the extent its Term Loans and Term Commitments have been transferred pursuant to such Commitment Transfer Supplement, be released from its obligations under this Agreement and the Other Documents. Such Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender as a Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the Term Loans and Term Commitments of such transferor Lender under this Agreement and the Other Documents. Loan Parties hereby consent to the addition of such Purchasing Lender as a Lender and the resulting adjustment of the Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the Term Loans and Term Commitments of such transferor Lender. Loan Parties shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing. Notwithstanding the foregoing, any Lender may assign all or any portion of the Term Loans or Term Notes held by it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank; provided, that, any payment in respect of such assigned Term Loans or Term Notes made by the Borrower to or for the account of the assigning or pledging Lender in accordance with the terms of this Agreement shall satisfy the Borrower's obligations hereunder in respect to such assigned Term Loans or Term Notes to the extent of such payment. No such assignment described in the immediately preceding sentence shall release the assigning Lender from its obligations hereunder.

(d) Agent, acting solely in this situation as a non-fiduciary agent of the Borrower, shall maintain at its address a copy of each Commitment Transfer Supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Term Loans owing to each Lender from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and Loan Parties, Agent and Lenders may treat each Person whose name is recorded in the Register as the owner of the Term Loan recorded therein for the purposes of this Agreement. The Register shall be available for inspection by Loan Parties or any Lender at any reasonable time and from time to time upon reasonable prior notice. Agent shall receive a fee in the amount of $3,500 payable by the applicable Purchasing Lender upon the effective date of each transfer or assignment to such Purchasing Lender.

(e) Loan Parties authorize each Lender to disclose to any Transferee or Purchasing Lender and any prospective Transferee or Purchasing Lender (who agrees in writing or through electronic media to treat the information as confidential and use it solely in connection with a proposed transfer under this Section 16.03) any and all financial and other information in such Lender's possession concerning Loan Parties which has been delivered to Agent or such Lender by or on behalf of Loan Parties pursuant to this Agreement or in connection with Agent's or such Lender's credit evaluation of Loan Parties.

(f) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Obligation shall deliver to the Borrower and the Agent, at the time or times reasonably requested by the Borrower or the Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 16.03(f)(i)(A), (i)(B) and (i)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing,

(A) any Lender that is a US Person shall deliver to the Borrower and the Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the Recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Obligation, executed copies of IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Obligation, IRS Form W-8BEN or W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit [C]-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "US Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or W-8BEN-E, a US Tax Compliance Certificate substantially in the form of Exhibit [C]-2 or Exhibit [C]-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a US Tax Compliance Certificate substantially in the form of Exhibit [C]-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the Recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Obligation would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

Section 16.04 Application of Payments.

Agent shall have the continuing and exclusive right to apply or reverse and re-apply any payment and any and all proceeds of Collateral to any portion of the Obligations. To the extent that any Loan Party makes a payment or Agent or any Lender receives any payment or proceeds of the Collateral for any Loan Party's benefit, which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other party under any bankruptcy law, common law or equitable cause, then, to such extent, the Obligations or part thereof intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by Agent or such Lender.

Section 16.05 Indemnity/Currency Indemnity.

(a) Each Loan Party shall indemnify Agent, each Lender and each of their respective officers, directors, Affiliates, employees, representatives and agents (each, an "Indemnitee") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, fees and disbursements of counsel) arising from any action, litigation, proceeding, dispute or investigation which may be imposed on, incurred by, or asserted against Agent or any Lender in any litigation, proceeding, dispute or investigation instituted or conducted by any Governmental Body or any other Person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, this Agreement or the Other Documents, whether or not Agent or any Lender is a party thereto, except that no Indemnitee shall be entitled to indemnification hereunder to the extent that any of the foregoing arises out of the gross (not mere) negligence or willful misconduct of such Indemnitee as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. Upon learning of any matter described above for which any Indemnitee may want to seek indemnity from any Loan Party, such Indemnitee shall promptly notify each Loan Party of such matter; provided, that, the failure to do so shall not in any manner limit, impair or affect the Loan Parties' indemnification obligations hereunder. Nothing contained herein or in any Other Document shall prohibit any Loan Party from seeking contribution or indemnity from any Person other than Agent or a Lender.

(b) If for the purposes of obtaining or enforcing judgment in any court in any jurisdiction with respect to this Agreement or any Other Document, it becomes necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due under this Agreement or under any Other Document in any currency other than the Judgment Currency (the "Currency Due") (including any Currency Due for the purposes of Section 2.04) then, to the extent permitted by law, conversion shall be made at the exchange rate selected by Agent on the Business Day before the day on which judgment is given (or for the purposes of Section 2.04 on the Business Day on which the payment was received by the Agent). In the event that there is a change in such exchange rate between the Business Day before the day on which the judgment is given and the date of receipt by the Agent of the amount due, Borrower shall to the extent permitted by law, on the date of receipt by Agent, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by Agent on such date is the amount in the Judgment Currency which (when converted at such exchange rate on the date of receipt by Agent in accordance with normal banking procedures in the relevant jurisdiction) is the amount then due under this Agreement or such Other Document in the Currency Due. If the amount of the Currency Due (including any Currency Due for purposes of Section 2.04) which the Agent is so able to purchase is less than the amount of the Currency Due (including any Currency Due for purposes of Section 2.04) originally due to it, Borrower shall to the extent permitted by law jointly and severally indemnify and save Agent and Lenders harmless from and against loss or damage arising as a result of such deficiency.

Section 16.06 Notice.

Any notice or request required to be given hereunder to any Loan Party or to Agent or any Lender shall be in writing (except as expressly provided herein) at their respective addresses set forth below or at such other address as may hereafter be specified in a notice designated as a notice of change of address under this Section 16.06. Any notice or request required to be given hereunder shall be given by (a) email, (b) hand delivery, (c) overnight courier, (d) registered or certified mail, return receipt requested, or (e) facsimile to the number set out below (or such other number as may hereafter be specified in a notice designated as a notice of change of address) with electronic confirmation of its receipt. Any notice or request required to be given hereunder shall be deemed given on the earlier of (i) actual receipt thereof, and (ii) (A) one Business Day following posting thereof by a recognized overnight courier, (B) three (3) days following posting thereof by registered or certified mail, return receipt requested, or (C) upon the sending thereof when sent by email or facsimile with electronic confirmation of its receipt, in each case addressed to each party at its address set forth below or at such other address as has been furnished in writing by a party to the other by like notice:

If to Agent at:	Wilmington Trust, National Association 50 South Sixth Street, Suite 1290 Minneapolis, MN 55402 Attention: Forbes Energy Loan Administrator Telephone: (612) 217-5637 Facsimile: (612) 217-5651 email: jjames@wilmingtontrust.com With a copy to: Covington & Burling LLP The New York Times Building 620 Eighth Avenue New York, NY 10018 Telephone: (212) 841-1220 Facsimile: (646) 441-9220 email: rhewitt@cov.com
If to a Lender, as specified on the signature pages hereof or in the applicable Commitment Transfer Supplement.	
If to the Borrower or any Loan Party:	c/o Forbes Energy Services LLC 3000 South Business Hwy 281 South Alice, Texas 78332 Attention: L. Melvin Cooper Telephone: 361-664-0549 Facsimile: 361-664-0599 email: mcooper@forbesenergyservices.com
With a copy to:	c/o Forbes Energy Services LLC 3000 South Business Hwy 281 South Alice, Texas 78332 Attention: John E. Crisp Telephone: 361-664-0549 Facsimile: 361-664-0599 email: jecrisp@txen.com

Section 16.07 **Survival**. The obligations of Loan Parties under Sections 14.07, 16.05 and 16.10 shall survive termination of this Agreement and the Other Documents and Payment in Full of the Obligations.

Section 16.08 **Postponement of Subrogation, Etc. Rights**.

Except as otherwise provided herein, each Loan Party expressly agrees not to exercise, until Payment in Full of all of the Obligations, any and all rights of subrogation, reimbursement, indemnity, exoneration, contribution of any other claim which such Loan Party may now or hereafter have against the other Loan Parties or other Person directly or contingently liable for the Obligations hereunder, or against or with respect to the other Loan Parties' property (including, without limitation, any property which is Collateral for the Obligations), arising from the existence or performance of this Agreement.

Section 16.09 **Severability**.

If any part of this Agreement is contrary to, prohibited by, or deemed invalid under applicable laws or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible.

Section 16.10 **Expenses**.

The Borrower shall reimburse Agent and Lenders for all costs and expenses (including without limitation, travel expenses) paid or incurred by Agent and Lenders in connection with this Agreement and the Other Documents, including, without limitation:

(a) reasonable attorneys' fees and disbursements incurred by one separate counsel retained by Agent and Lenders, collectively, in connection with (i) the administration of this Agreement and the Other Documents, including, without limitation, the preparation, negotiation, execution and delivery of any amendment or waiver with respect thereto, and (ii) during the continuance of a Default or Event of Default, (A) in all efforts made to enforce payment of any Obligations or collection of or other realization upon any Collateral, (B) in defending or prosecuting any actions or proceedings arising out of or relating to this Agreement and the Other Documents, (C) in connection with the enforcement of this Agreement or any Other Document, and (D) in enforcing Agent's security interest in or Lien on any of the Collateral, whether through judicial proceedings or otherwise;

(b) attorneys' fees and expenses, fees and expenses of financial accountants, advisors, consultants, appraisers and other professionals incurred by Agent and Lenders and other costs and expenses incurred by Agent and Lenders (i) in connection with the preparing, negotiating, entering into, performing or syndicating this Agreement and/or the Other Documents, any amendment, waiver, consent or other modification with respect thereto and the administration, work-out or enforcement of this Agreement and the Other Documents (which expenses incurred or paid pursuant to this clause (i) shall be reasonable), (ii) in instituting, maintaining, preserving and foreclosing on Liens on any of the Collateral, whether through judicial proceedings or otherwise, (iii) in connection with any advice given to Agent or Lenders with respect to its rights and obligations under this Agreement and all Other Documents or (iv) that Agent or Lenders reasonably deem necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to this Agreement and the Other Documents; and

(c) reasonable fees and disbursements incurred by Agent and Lenders in connection with (i) or any appraisals of Collateral, field examinations, collateral analysis or monitoring or other business analysis conducted by outside Persons in connection with this Agreement and the Other Documents (it being understood that Borrower shall be responsible for the costs and expenses thereof to the extent provided in Section 4.9 above), and (ii) the Person at any time retained by Agent to perfect Agent's Lien upon any Well Services Equipment consisting of titled motor vehicles.

Section 16.11 Injunctive Relief.

Each Loan Party recognizes that, in the event any Loan Party fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, any remedy at law may prove to be inadequate relief to Agent and the Lenders; therefore, Agent, if Agent so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving that actual damages are not an adequate remedy.

Section 16.12 Consequential Damages.

None of Agent, any Lender, nor any agent or attorney for any of them, shall be liable to any Loan Party for special, punitive, exemplary, indirect or consequential damages arising from any breach of contract, tort or other wrong relating to the establishment, administration or collection of the Obligations.

Section 16.13 Captions.

The captions at various places in this Agreement are intended for convenience only and do not constitute and shall not be interpreted as part of this Agreement.

Section 16.14 Counterparts; Facsimile or Emailed Signatures.

This Agreement may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or email transmission shall be deemed to be an original signature hereto.

Section 16.15 Construction.

The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments, schedules or exhibits thereto.

Section 16.16 Confidentiality; Sharing Information.

(a) Agent, each Lender and each Transferee shall hold all non-public information designated as confidential and obtained by Agent, such Lender or such Transferee pursuant to the requirements of this Agreement in accordance with Agent's, such Lender's and such Transferee's customary procedures for handling confidential information of this nature; provided, however, that, Agent, each Lender and each Transferee may disclose such confidential information (i) to its examiners, affiliates, outside auditors, counsel and other professional advisors, (ii) to Agent, any Lender or to any prospective Transferees and Purchasing Lenders (who agrees in writing or through electronic media to treat the information as confidential and use it solely in connection with a proposed transfer under Section 16.03), (iii) that ceases to be non-public information through no fault of Agent or any Lender, (iv) as required or requested by any Governmental Body or representative thereof or pursuant to legal process, and (v) in response to any trade credit inquiry with respect to Loan Parties if the Person making such inquiry is so doing at a Loan Party's request; provided further, that, (A) unless specifically prohibited by applicable law or court order, Agent, each Lender and each Transferee shall use reasonable efforts prior to disclosure thereof, to notify Borrower of the applicable request for disclosure of such non-public information (1) by a Governmental Body or representative thereof (other than any such request in connection with an examination of the financial condition of Agent, a Lender or a Transferee by such Governmental Body) or (2) pursuant to legal process, and (B) in no event shall Agent, any Lender or any Transferee be obligated to return any materials furnished by any Loan Party other than those documents and instruments in possession of Agent or any Lender constituting possessory Collateral once all of the Obligations have been Paid in Full.

(b) Each Loan Party acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to such Loan Party or one or more of its Affiliates (in connection with this Agreement or otherwise) by Agent, any Lender or by one or more Subsidiaries or Affiliates of Agent or such Lender and each Loan Party hereby authorizes Agent and each Lender to share any information delivered to Agent or such Lender by such Loan Party and its Subsidiaries pursuant to this Agreement, or in connection with the decision of Agent or such Lender to enter into this Agreement, to any such Subsidiary or Affiliate of Agent or such Lender, it being understood that any such Subsidiary or Affiliate of Agent or any Lender receiving such information shall be bound by the provision of this Section 16.16 as if it were a Lender hereunder. Such authorization shall survive the repayment of the Obligations and the termination of this Agreement.

Section 16.17 Publicity.

Each Loan Party hereby authorizes Agent to make appropriate announcements of the financial arrangement entered into among Loan Parties, Agent and Lenders, including, without limitation, announcements which are commonly known as tombstones, in such publications and to such selected parties as Agent shall in its sole and absolute discretion deem appropriate. In addition, each Loan Party authorizes Agent to include each Loan Party's name and logo in select transaction profiles and client testimonials prepared by Agent for use in publications, company brochures and other marketing materials of Agent. Subject to Agent's prior written approval (which shall not be unreasonably withheld or delayed), Loan Parties shall have the right to make appropriate announcements of the financial arrangement entered into among Loan Parties, Agent and Lenders in such publications and to such selected parties as Loan Parties deem appropriate; except, that, the Loan Parties shall have the right to make any disclosure required by law or by applicable SEC regulations without any requirement to obtain prior written approval.

Section 16.18 Patriot Act Notice.

Each Lender and Agent subject to the USA Patriot Act of 2001 (31 U.S.C. 5318 et seq.) hereby notifies Loan Parties that, pursuant to Section 326 thereof, it is required to obtain, verify and record information that identifies Loan Parties, including the name and address of each Loan Party and other information allowing such Lender and Agent to identify Loan Parties in accordance with such act..

Section 16.19 Acknowledgement and Consent to Bail-In of EEA Financial Institutions.

Notwithstanding anything to the contrary herein or in any Other Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising hereunder or under any Other Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA

Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by: (a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and (b) the effects of any Bail-In Action on any such liability, including, if applicable: (i) a reduction in full or in part or cancellation of any such liability; (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any Other Document; or (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

Section 16.20 Borrower Materials.

This Section 16.20 will apply at any time in which Parent or Borrower has a class of securities registered under the Exchange Act.

Borrower hereby acknowledges that (a) Agent may make available to the Lenders materials and/or information provided by or on behalf of Borrower and the Guarantors hereunder (collectively, the "Borrower Materials") by posting the Borrower Materials on Intralinks or another similar electronic system (the "Platform") and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrower, the Guarantors, or their securities or subsidiaries) (each, a "Public Lender"). Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," Borrower shall be deemed to have authorized Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower, the Guarantors, or their securities or subsidiaries for purposes of United States federal and state securities laws (*provided, however*, that to the extent such Borrower Materials constitute confidential information, they shall be treated as set forth in Section 16.16); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated as "Public Investor;" and (z) Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not marked as "Public Investor." Notwithstanding the foregoing, the following Borrower Materials shall be deemed to be marked "PUBLIC", unless Borrower notifies Agent promptly prior to their intended distribution that any such document contains material non-public information: (1) this Agreement and the Other Documents and (2) notification of changes in the terms of the Term Loans.

Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States Federal and state securities laws, to make reference to all Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to the Borrower, the Guarantors, any Parent or their securities and subsidiaries for purposes of United States Federal or state securities laws.

The Platform is provided "as is" and "as available." Agent does not warrant the accuracy or completeness of any information on the Platform nor the adequacy or functioning of the Platform, and expressly disclaims liability for any errors or omissions in the Borrower Materials or any issues involving the Platform. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD ARTY RIGHTS, OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY AGENT WITH RESPECT TO BORROWER MATERIALS OR THE PLATFORM. The Lenders acknowledge that Borrower Materials may include material non-public information of the Loan Parties and should not be made available to any personnel who do not wish to receive such information or who may be engaged in investment or other market-related activities with respect to any Loan Party's securities. None of Agent or any related Person thereof shall have any liability to the Loan Parties, the Lenders or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) relating to use by any Person of the Platform or delivery of Borrower Materials and other information through the Platform.

[Signature pages follow]

Each of the parties has signed this Agreement as of the day and year first above written.

BORROWER:

FORBES ENERGY SERVICES LLC

By: ____________________________________

Name:

Title:

GUARANTORS:

FORBES ENERGY SERVICES LTD.

By: ____
Name:
Title:

FORBES ENERGY INTERNATIONAL, LLC

By: ____
Name:
Title:

TX ENERGY SERVICES, LLC

By: ____
Name:
Title:

C.C. FORBES, LLC

By: ____
Name:
Title:

EXHIBIT C

Management Employment Agreements

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of the ____________________________, 2017, but is effective as of the Commencement Date (as hereinafter defined), by and between Forbes Energy Services LLC, a Delaware limited liability company (the "Employer"), and John E. Crisp, residing at (the "Employee").

WITNESSETH:

WHEREAS, Employee is presently employed with Employer pursuant to that certain Employment Agreement entered into as of May 1, 2008 (the "Original Agreement"), as amended by that certain First Amendment to Employment Agreement effective as of July 30, 2015 (the "Amendment" and together with the Original Agreement, the "Existing Employment Agreement");

WHEREAS, Employer and Employee desire to amend and restate the Existing Employment Agreement in order to make certain changes thereto; and

WHEREAS, Employer and Employee agree that this Agreement shall amend and restate the Existing Employment Agreement in its entirety, commencing on the Commencement Date, and that the Existing Employment Agreement shall terminate in its entirety.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. Employer has employed and hereby continues to employ Employee, and Employee hereby accepts such continued employment, upon the terms and subject to the conditions set forth in this Agreement. Employee shall be employed by Employer but may serve (and if requested by Employer shall serve) as an officer and/or director of its parent, Forbes Energy Services Ltd. ("Parent"), or any subsidiary or affiliate of Employer or Parent.

2. Term. The term of employment under this Agreement shall commence on ____________________________, 2017 (the "Commencement Date") and shall continue for four (4) years thereafter (such four year period, the "Initial Term"); *provided, however*, that, unless terminated as contemplated herein, beginning on the first day after the Initial Term and on every anniversary of such date thereafter (each a "Renewal Date"), the then-existing term of this Agreement shall automatically be extended one additional year unless either party gives the other written notice of termination between one hundred eighty (180) and two hundred forty (240) days prior to any such Renewal Date. For the avoidance of doubt, notice of termination of this Agreement given any time other than between the one hundred eighty (180) and two hundred forty (240) days prior to a Renewal Date shall be void and ineffective. Written notice by Employer shall be solely pursuant to a duly adopted resolution of Employer's or Parent's board of directors. Following the date of termination of employment, Employee shall have no further rights, including but not limited to rights under Section 8, or obligations hereunder, except obligations set forth in Sections 10 and 11.

3. Compensation and Benefits.

(a) Employer shall pay to Employee as compensation for all services rendered by Employee a basic annualized salary of $650,000.00 per year during the Initial Term, or such other sums as the parties may agree on from time to time, payable semi-monthly or in other more frequent installments, as determined by the Board (as hereinafter defined). The board of directors of Parent or, if the same is established, the compensation committee of the board of directors of Parent (the "Compensation Committee"), by providing direction through the board of directors of Employer (collectively, the board of directors of Parent, the Compensation Committee and the board of directors of Employer are referred to as the "Board") shall have the right to increase Employee's compensation from time to time and Employee shall be entitled to an annual review thereof or more frequently as determined by the Board. In addition, the Board, in its discretion, may, with respect to any year during the term hereof, award a bonus or bonuses to Employee; *provided, however,* Employer shall annually provide Employee with a bonus based on the terms to be determined by the Compensation Committee or the Board. Such terms shall be more particularly described in Appendix "A" to be attached hereto. Appendix "A" may be modified, supplemented, or replaced from time to time as determined by the Compensation Committee and established by written agreement between Employer and Employee for the purpose of defining the then current bonus calculation methodologies from the applicable year(s). The compensation provided for in this Section 3(a) shall be in addition to any pension or profit sharing payments set aside or allocated for the benefit of Employee in either a tax qualified plan or otherwise.

It is the intention of the parties that an Appendix "B" will be approved by the Board and signed by the Chairman of the Compensation Committee or a non-management representative of the Board and the Employee no later than June 30 of each calendar year (or portion thereof) covered by this Agreement, as amended. In the absence of an approval by the Compensation Committee or the Board of such an Appendix "B" for any year (or portion thereof), the Appendix "B" for the prior year will remain in full force and effect.

(b) Employer shall reimburse Employee for all reasonable expenses incurred by Employee in the performance of his duties under this Agreement, in accordance with the Employer's expense reimbursement policy; *provided, however*, that Employee must furnish to Employer an itemized account, in form satisfactory to Employer, in substantiation of such expenditures.

(c) Employee shall be entitled to such fringe benefits including, but not limited to, medical and family insurance benefits as may be provided from time to time by Employer to other senior officers of Employer and on an economic basis consistent with past practices and policies of Employer; *provided, however,* that any health insurance shall not provide for a preexisting condition limitation, and, *provided further*, that during the term of this Agreement, the aggregate annual cost for such fringe benefits shall not exceed $36,000.

(d) To the extent permitted by applicable law and terms of the benefit plans, Employer shall include in Employee's credited service, in any case where credited service is relevant in determining eligibility for or benefits under any employee benefits plan, the Employee's service for any parent, subsidiary or affiliate of Employer or for any predecessor thereof and time served at prior employers.

(e) Employer shall provide Employee with a vehicle or auto allowance during the term of the Agreement as approved by the President and Chief Executive Officer. Employer will also pay for auto insurance, maintenance and fuel, unless such auto allowance is set to cover insurance and maintenance. Employee may use the automobile for personal use and will pay all taxes related to such personal use.

(f) The amount of expenses eligible for reimbursement or in-kind benefits provided during a calendar year may not affect the expenses eligible for reimbursement to be provided in any other calendar year. Reimbursement of eligible expenses will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred and the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(g)

(i) Employee shall be eligible to participate in such incentive compensation and stock option plans that have been approved or may in the future be approved by the shareholders of Parent or Employer and administered by the Board.

(ii) Employee and Employer agree that in connection with the Reorganization (as hereinafter defined), Parent shall establish a customary management incentive plan (the "MIP") under which shares of new common stock of Parent equal to twelve and one-half of one percent (12.5%) times the sum of (a) the number of shares of new common stock of Parent issued to holders of Parent's 9% senior notes as of the effective date of the Reorganization and (b) the number of shares of new common stock issuable under the MIP will be reserved for grants made from time to time to the officers and other key employees of Employer or Parent, including Employee (the "MIP Aggregate Equity"). Employer and Employee agree that the MIP shall provide for grants of eight and one half of one percent (8.5%) of the MIP Aggregate Equity on the effective date of the Reorganization, the distribution (including the distribution to the Employee) of which shall be determined by the Chairman of the Board in consultation with the Board, subject to the following: (i) one percent (1%) of the MIP Aggregate Equity will vest upon the achievement of certain performance metrics based on the business plan of Employer approved by the Board, (ii) seven and two-tenths of one percent (7.2%) of the MIP Aggregate Equity shall vest as follows: one-fifth ($1/5^{th}$) shall vest on the effective date of the Reorganization and one-fifth ($1/5^{th}$) shall vest on each one year anniversary through the fourth anniversary of the effective date of the Reorganization, and (iii) if Exit Financing Termination Date (as defined in the MIP) does not occur within eighteen (18) months following the Commencement Date, an additional number of shares shall be allocated (the "Exit Financing Awards"), such number determined by multiplying the product of three-tenths of one percent (0.3%) of the MIP Aggregate Equity times a fraction, (A) the numerator of which is the number of days between (x) eighteen (18) months after the Commencement Date and (y) the Exit Financing Termination Date, and (B) the denominator of which is the number of days between (x) eighteen (18) months after the Commencement Date and (y) the stated maturity date of the Exit Financing. The Exit Facility Awards, if any, shall be allocated ratably on the same basis as the seven and two-tenths of one percent (7.2%) of the MIP Aggregate Equity and shall vest as follows: (i) two-fifths (2/5ths) shall vest on the first day following the date that is eighteen (18) months after the Commencement Date and (ii) one-fifth (1/5th) shall vest on each of the second, third and fourth anniversaries of the Commencement Date. The remaining pool of four percent (4%) of the MIP Aggregate Equity under the MIP shall be reserved for distribution as determined by the Board in consultation with the Chairman of the Board or, in the event of a Change in Control, shall be granted and allocated as set forth in the MIP.

4. Duties. Employee is engaged and shall serve as President and Chief Executive Officer of (i) Parent, (ii) Employer and (iii) any other direct or indirect subsidiaries of Parent that may be formed or acquired. Furthermore, Employee shall be Chairman of the Board so long as Employee is the President and Chief Executive Officer of Parent. In addition, Employee shall have such other duties and hold such other offices as may from time to time be reasonably assigned to him by the Board. These services shall be provided from offices located in Alice, Texas or such other location as may be mutually agreed.

5. Extent of Services; Vacations and Days Off.

(a) During the term of his employment under this Agreement, Employee shall devote substantially his full business time, energy and attention to the benefit and business of Employer as may be necessary in performing his duties pursuant to this Agreement, subject to the following sentence. Employee shall not provide services of a business nature to any other person except that the Employee may engage in the Permitted Activities (as defined in Section 11(e)) provided that such activities do not significantly interfere with the Employee's performance of his duties hereunder. In order to maximize Employee's efficiency and effectiveness for Employer, Employee may utilize the services of his executive assistant to assist Employee with de minimis personal matters.

(b) Employee shall be entitled to vacations and holidays with pay and to such personal and sick leave with pay in accordance with the policy of Employer as may be established from time to time by Employer and applied to other senior officers of Employer; *provided, however*, that Employee shall annually be entitled to the maximum number of vacation days and holidays afforded to any other officer of Employer or Parent.

6. Facilities. Employer shall provide Employee with a fully furnished office of no less stature, type, and size than was provided as of the Commencement Date, and the facilities of Employer shall be generally available to Employee in the performance of his duties pursuant to this Agreement; it being understood and contemplated by the parties that all equipment, supplies and office personnel required for Employee's performance of duties under this Agreement shall be supplied by Employer.

7. Illness or Incapacity, Termination on Death.

(a) If during the term of his employment Employee becomes permanently disabled, as defined below, or dies, Employer shall pay to the Employee or his estate compensation through the date of death or determination of permanent disability, including salary, any prior year bonus compensation earned but not yet paid and the pro-rated portion of any current year bonus as and when determined in the ordinary course of the calculation of current year bonus due to other executive officers of Employer. Employer shall continue to provide medical insurance and other benefits to which Employee's dependents would otherwise have been entitled for one year following the date of death or determination of permanent disability. Effective upon the date of death or determination of permanent disability, any and all options, rights or awards granted in conjunction with Parent's or Employer's incentive compensation and stock option plans shall immediately vest. Except for the benefits set forth in the preceding sentences and any life insurance benefits included in the benefit package provided at such time by Employer to Employee, Employer shall have no additional financial obligation under this Agreement to Employee or his estate. After receiving the payments and health insurance benefits provided in this subparagraph (a), Employee and his estate shall have no further rights under this Agreement.

(b)

(i) During any period of disability, illness or incapacity during the term of this Agreement that renders Employee at least temporarily unable to perform the services required under this Agreement for a period that shall not equal or exceed ninety (90) continuous days (provided that a return to full work status of less than five full days shall be deemed not to interrupt the calculation of such 90 days), Employee shall receive the compensation payable under Section 3(a) of this Agreement plus any bonus compensation earned through the last day of such ninety (90) day period but not yet paid, less any benefits received by him under any disability insurance carried by or provided by Employer. All rights of Employee under this Agreement (other than rights already accrued) shall terminate as provided below upon Employee's permanent disability (as defined below), although Employee shall continue to receive any disability benefits to which he may be entitled under any disability income insurance that may be carried by or provided by Employer from time to time; Employer hereby agrees to provide such insurance on a same occupation basis.

(ii) The terms “permanently disabled” and “permanent disability” as used in this Agreement shall mean that Employee is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under any long term disability plan maintained by Employer that covers Employee. In the absence of such a long term disability plan, “permanently disabled” and “permanent disability” shall mean that Employee is unable to engage in any substantial gainful activity for a period of at least ninety (90) days in any one-year period by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months. In the event Employee becomes “permanently disabled,” the Board may terminate Employee’s employment under this Agreement upon ten (10) days' prior written notice. If any determination with respect to "permanent disability" is disputed by Employee, the parties hereto agree to abide by the determination with respect to "permanent disability" of a panel of three physicians. Employee and the Board shall each appoint one member, and the third member of the panel shall be appointed by the other two members. Employee agrees to make himself available for and submit to examinations by such physicians as may be directed by the Board. Failure to submit to any such examination shall constitute a breach of a material part of this Agreement.

8. Other Terminations.

(a)

(i) Employee may terminate his employment hereunder for any reason whatsoever upon giving at least thirty (30) days' prior written notice. In addition, Employee shall have the right to terminate his employment hereunder (a) at any time for "good reason" or (b) on the conditions provided for in Sections 8(d)(i)(1), 8(d)(i)(2) or 8(d)(i)(3) of this Agreement following a Change in Control. As used herein, "good reason" means the occurrence of any of the following: (1) the relocation of Employee's office to a location outside the State of Texas, (2) Employee no longer holds the principal executive office held by Employee on the Commencement Date, or (3) a change in reporting structure of Employer or Parent where Employee is required to report to someone holding a title or position different than the title or position of the person (or the Board in the case of the President and Chief Executive Officer) that Employee was required to report to on the Commencement Date.

(ii) If Employee gives notice pursuant to the first sentence of Section 8(a)(i) but not based on the second sentence of Section 8(a)(i) above, Employer shall have the right to relieve Employee, in whole or in part, of his duties under this Agreement (without reduction in compensation through the termination date).

(iii) If Employee terminates his employment hereunder pursuant to clause (a) of the second sentence of Section 8(a)(i) above, then (a) any and all options, rights or awards granted in conjunction with Parent's or Employer's incentive compensation and stock option plans (other than awards subject to performance criteria ("Performance Awards")) shall immediately vest and a "pro rata portion" of each Performance Award shall remain outstanding until the end of the applicable performance period (or, if earlier, until the occurrence of a Change in Control) and shall vest or not based on the actual performance for the performance period or, if applicable, upon the Change in Control as provided in Section 8(d)(i), and (b) Employee shall continue to receive the salary, bonus and other compensation and benefits specified in Section 3 for the remainder of the Initial Term or any then applicable Extension Period, in each case in the amount and kind and at the time provided for in Section 3 (provided, however, that if such benefits are not available under Employer's benefit plans or applicable law, Employer shall be responsible for the cost of providing equivalent benefits); *provided that,* bonuses for each calendar year until the termination of this Agreement shall be paid based on the greater of (x) the amount equal to the total bonus paid for the last completed year for which bonuses have been paid or (y) the amount equal to the bonuses that would have been payable for the then current year (or, in the case of a date of termination of employment that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year), determined on a basis consistent with the last completed year for which bonuses have been paid but using the projected bonus amounts for the then current year (or, in the case of a date of termination of this Agreement that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year) determined by extrapolating the information as of the date of termination of this Agreement based on the best information available at the time of the calculation; *provided further that*, notwithstanding the termination of this Agreement, Employee's covenants set forth in Sections 10 and 11 shall remain in full force and effect. If Employee shall violate any of the provisions of Sections 10 or 11 at any time prior to the termination of this Agreement, then, in addition to its other rights and remedies, Employer shall have the right to terminate all further payments of compensation or benefits to Employee, and shall have no further obligation therefor.

For purposes of this Agreement, the "pro rata portion" of a Performance Award shall be the amount calculated by multiplying the full amount determined based on the Employer's achievement of the performance criteria for the full performance period specified in the applicable award agreement between Employer and Employee by a fraction, the numerator of which is the number of days of the performance period through Employee's termination of employment and the denominator of which is the number of days of the performance period.

For purposes of this Agreement, the term "Extension Period" shall mean the period from a Renewal Date to the day immediately preceding the first anniversary of such Renewal Date.

(b)

(i) Except as otherwise provided in this Agreement, Employer may terminate the employment of Employee hereunder only for "good cause" (as defined below) and upon written notice.

(ii) As used herein, "good cause" shall mean:

(1) Employee's conviction of either a felony involving moral turpitude or any crime in connection with his employment by Employer that causes Employer a substantial detriment, but specifically shall not include traffic offenses;

(2) actions or inactions by Employee that clearly are contrary to the best interests of Employer;

(3) Employee's willful failure to take actions permitted by law and necessary to implement policies of the Board that the Board has communicated to him in writing, provided that such policies that are reflected in minutes of a Board meeting attended in its entirety by Employee shall be deemed communicated to Employee;

(4) Employee's continued failure to devote substantially his full business time, energy and attention to his duties as an executive officer of Employer or its affiliates as contemplated in Section 5(a) above, following written notice from the Board to Employee of such failure; or

(5) any condition that either resulted from Employee's current substantial dependence on alcohol, or any narcotic drug or other controlled or illegal substance. If any determination of substantial dependence is disputed by Employee, the parties hereto agree to abide by the decision of a panel of three physicians appointed in the manner specified in Section 7(b)(ii) of this Agreement.

(6) With respect to (ii) through (v) above, such circumstances shall not constitute "good cause" unless Employee has failed to cure such circumstances within ten (10) business days following written notice thereof from the Board identifying in reasonable detail the manner in which the Employer believes that Employee has not performed such duties and indicating the steps Employer requires to cure such circumstances.

(iii) Termination of the employment of Employee for reasons other than those expressly specified in this Agreement as good cause shall be deemed to be a termination of employment "without good cause."

(c)

(i) If Employer shall terminate the employment of Employee without good cause effective on a date earlier than the end of the Initial Term or any then applicable Extension Period, Employee shall continue to receive the salary, bonus and other compensation and benefits specified in Section 3 for the remainder of the Initial Term or any then applicable Extension Period, in each case in the amount and kind and at the time provided for in Section 3 (provided, however, that if such benefits are not available under Employer's benefit plans or applicable law, Employer shall be responsible for the cost of providing equivalent benefits); *provided that*, bonuses for each calendar year until the termination of employment shall be paid based on the greater of (x) the amount equal to the total bonus paid for the last completed year for which bonuses have been paid or (y) the amount equal to the bonuses that would have been payable for the then current year (or, in the case of a date of termination of employment that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year), determined on a basis consistent with the last completed year for which bonuses have been paid but using the projected bonus amounts for the then current year (or, in the case of a date of termination of employment that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year) determined by extrapolating the information as of the date of termination of employment based on the best information available at the time of the calculation; *provided further that*, notwithstanding such termination of employment, Employee's covenants set forth in Sections 10 and 11 shall remain in full force and effect. If Employee shall violate any of the provisions of Sections 10 or 11 at any time prior to the expiration of the Initial Term or the applicable Extension Period, then, in addition to its other rights and remedies, Employer shall have the right to terminate all further payments of compensation or benefits to Employee, and shall have no further obligation therefor.

(ii) If Employer shall terminate the employment of Employee without good cause effective on a date earlier than the end of the Initial Term or any then applicable Extension Period, any and all options, rights or awards granted in conjunction with Parent's or Employer's incentive compensation and stock option plans (other than Performance Awards) shall immediately vest and a "pro rata portion" of each Performance Award shall remain outstanding until the end of the applicable performance period (or, if earlier, until the occurrence of a Change in Control) and shall vest or not based on the actual performance for the performance period or, if applicable, upon the Change in Control as provided in Section 8(d)(i).

(iii) The parties agree that, because there can be no exact measure of the damages that would occur to Employee as a result of a termination by Employer of Employee's employment without good cause, the payments and benefits paid and provided pursuant to Section 8 shall be deemed to constitute liquidated damages and not a penalty for Employer's termination of Employee's employment without good cause, and Employer agrees that Employee shall not be required to mitigate his damages.

(d)

(i) If a Change in Control (as defined in the MIP as in effect on the Commencement Date) of Parent shall occur, then any and all options, rights or awards (including restricted stock awards and restricted stock unit awards) granted to Employee in conjunction with the Parent's or Employer's incentive compensation or equity incentive compensation plans shall be deemed to have vested immediately prior to such Change in Control; *provided that*, with respect to the immediate vesting of any and all Performance Awards, such awards shall immediately vest if and to the extent determined by the Board at the time of grant and set forth in the applicable award agreement between Employee and Employer. Further, if a Change in Control of Parent shall occur, and

(1) Employee shall voluntarily terminate his employment following such Change in Control in the event that the Employer:

(A) has after the Change in Control reduced Employee's annual base salary or potential bonus level or any incentive compensation or equity incentive compensation plan benefit (as in effect immediately before such Change in Control);

(B) has relocated Employee's office to a location that is more than 10 miles from the location in which Employee principally works for Employer or Parent immediately before such Change in Control;

(C) has relocated the principal executive office of Parent, Employer or the office of Employer's operating group for which Employee performed the majority of his services for Employer during the year before the Change in Control to a location that is more than 10 miles from the location of such office immediately before such Change in Control;

(D) has required Employee, in order to perform duties of substantially equal status to those duties Employee performed immediately before the Change in Control, to travel on Employer's business to a substantially greater extent than is consistent with Employee's travel obligations immediately before such Change in Control;

(E) has failed to continue to provide Employee with benefits substantially equivalent to those enjoyed by Employee under any of Employer's life insurance, medical, health and accident or disability plans and incentive compensation or equity incentive compensation plans in which Employee was participating immediately before the Change in Control;

(F) has taken any action that would directly or indirectly materially reduce any of such benefits or deprive Employee of any material fringe benefit enjoyed by Employee immediately before the Change in Control;

(G) has failed to provide Employee with at least the number of paid vacation days to which Employee is entitled on the basis of years of service under Employer's normal vacation policy in effect immediately before the Change in Control giving credit for time served at Employer or Parent;

(2) Employee shall voluntarily terminate his employment following such Change in Control in the event that, as a result of the Change in Control and a change in circumstances thereafter significantly affecting his position other than those listed in Section 8(d)(i)(1) above, he no longer has the authorities, powers, functions or duties attached to his position as an executive officer of Employer, Parent or any of their affiliates;

(3) Employee shall voluntarily terminate his employment following such Change in Control, in the event that there has been a substantial diminution of his duties, responsibilities, status, title or position as an executive officer of Employer, Parent or any of their affiliates; or

(4) Employee shall have his employment terminated by Employer for reasons other than those specified in Section 8(b)(ii) following such Change in Control;

then in any of the above four cases, Employee shall be entitled to receive the salary, bonus and other compensation and benefits specified in Section 8(a)(iii) for the periods specified in such section.

(ii) Employee acknowledges and agrees that the reorganization of Parent (the "Reorganization") pursuant to which this Agreement is entered into shall not be deemed a Change in Control (or phrase having a similar import) for purposes of this Agreement, the Prior Agreement or any other agreement, plan or arrangement to which Employee is a party or in which Employee has any interest.

(e) If the employment of Employee is terminated for good cause under Section 8(b)(ii) of this Agreement, or if Employee voluntarily terminates his employment by written notice to Employer under Section 8(a) of this Agreement without reliance on Section 8(d), Employer shall pay to Employee any compensation earned but not paid to Employee prior to the effective date of such termination. Under such circumstances, such payment shall be in full and complete discharge of any and all liabilities or obligations of Employer to Employee hereunder, and Employee shall be entitled to no further benefits under this Agreement. Employee must, however, still comply with the obligations set forth in Sections 10 and 11 of this Agreement.

(f) Employer's obligations to provide the compensation and benefits (the "Severance Benefits") under Sections 8(a)(iii), 8(c) or 8(d), as applicable, shall be conditioned upon Employee having executed and delivered to Employer the release of claims substantially in the form attached hereto as Appendix C (the "Release") and the period (if any) during which the Release can be revoked having expired within the 45-day period following the Employee's date of termination; provided, that, if such 45-day period spans two (2) calendar years, no Severance Benefits shall be paid or commenced to be paid until the second year, with the first payment including any amount that would have been paid during such forty-five (45) day period but for this sentence being made promptly following such forty-five (45) day period. Employer and Employee agree that, should Employer fail to provide the Severance Benefits to Employee, the Release shall be void *ab initio*.

9. Inventions and Other Intellectual Property. Employee agrees that during the term of his employment by Employer, he will disclose to Employer (and no one else) all ideas, methods, plans, developments or improvements known by him which relate directly or indirectly to the business of Employer, whether acquired by Employee before or during his employment by Employer. Nothing in this Section 9 shall be construed as requiring any such communication where the idea, plan, method or development is lawfully protected from disclosure as a trade secret of a third party or by any other lawful prohibition against such communication.

10. Confidential Information and Trade Secrets.

(a) For purposes of this Agreement, the term "Forbes's Business" shall mean any business in which the Company or any of its subsidiaries are engaged, including, without limitation, the business of providing oilfield services relating to, among other things, fluid handling, well servicing and workovers, and tubing testing in the Restricted Area (as defined below). In this business, Employer generates a tremendous volume of Confidential Information and Trade Secrets which it hereby agrees to share with Employee, and which Employee will have access to and knowledge of through or as a result of Employee's employment with the Employer. "Confidential Information and Trade Secrets" includes any information, data or compilation of information or data developed, acquired or generated by Employer, or its employees (including information and materials conceived, originating, discovered, or developed in whole or in part by

Employee at the request of or for the benefit of Employer or while employed by Employer), which is not generally known to persons who are not employees of Employer, and which Employer generally does not share other than with its employees, or with its customers and suppliers on an individual transactional basis. "Confidential Information and Trade Secrets" may be written, verbal or recorded by electronic, magnetic or other methods, whether or not expressly identified as "Confidential" by Employer.

(b) "Confidential Information and Trade Secrets" includes, but is not limited to, the following information and materials:

(i) Financial information, of any kind, pertaining to Employer, including, without limitation, information about the profit margins, profitability, income and expenses of Employer or any of its divisions or lines of business;

(ii) Names and all other information about, and all communications received from, sent to or exchanged between, Employer and any person or entity which has purchased, contracted, hired, chartered equipment, vessels, personnel or services, or otherwise entered into a transaction with Employer regarding Forbes's Business, or to which Employer has made a proposal with respect to Forbes's Business (such person or entity being hereinafter referred to as "Customer" or "Customers");

(iii) Names and other information about Employer's employees, including their experience, backgrounds, resumes, compensation, sales or performance records or any other information about them;

(iv) Any and all information and records relating to Employer's contracts, transactions, charges, prices, or sales to its Customers, including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information regarding transactions between Employer and any of its Customers;

(v) All information about the employees, agents or representatives of Customers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to Forbes's Business (each such individual being hereinafter referred to as a "Customer Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, duties, and all records of communications to, from or with any such Customer Representative;

(vi) Any and all information or records relating to Employer's contracts or transaction with, or prices or purchases from any person or entity from which Employer has purchased or otherwise acquired goods or services of any kind used in connection with Forbes's Business (each such person or entity being hereinafter referred to as a "Supplier"), including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information documents regarding amounts charged by or paid to suppliers for products or services;

(vii) All information about the employees, agents or representatives of Suppliers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to Forbes's Business (each such individual being hereinafter referred to as "Supplier Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, duties, and all records of communications to, from or with any such Supplier Representative;

(viii) Employer's marketing, business and strategic growth plans, methods of operation, methods of doing business, cost and pricing data, and other compilations of information relating to the operations of Employer.

(c) Employee acknowledges that all notes, data, forms, reference and training materials, leads, memoranda, computer programs, computer print-outs, disks and the information contained in any computer, and any other records which contain, reflect or describe any Confidential Information and Trade Secrets, belong exclusively to Employer. Employee shall promptly return such materials and all copies thereof in Employee's possession to Employer upon termination of his employment, regardless of the reasons therefor (such date being hereinafter referred to as the "Termination Date").

(d) During Employee's employment with Employer and thereafter, Employee will not copy, publish, convey, transfer, disclose or use, directly or indirectly, for Employee's own benefit or for the benefit of any other person or entity (except Employer) any Confidential Information and Trade Secrets. Employee's obligation shall continue in full force and effect until the later of the final day of any period of non-competition or eighteen (18) months after the termination of Employer's employment. Employee will abide by all rules, guidelines, policies and procedures relating to Confidential Information and Trade Secrets implemented and/or amended from time to time by Employer.

Employee acknowledges that any actual or threatened breach of the covenants contained herein will cause Employer irreparable harm and that money damages would not provide an adequate remedy to Employer for any such breach. For these reasons, and because of the unique nature of the Confidential Information and Trade Secrets and the necessity to preserve such Confidential Information and Trade Secrets in order to protect Employer's property rights in the event of a breach or threatened breach of any of the provisions herein, Employer, in addition to any other remedies available to it at law or in equity, shall be entitled to immediate injunctive relief against Employee to enforce the provisions of this Agreement and shall be entitled to recover from Employee its reasonable attorney's fees and other expenses incurred in connection with such proceedings.

Notwithstanding anything herein to the contrary, or in any agreement or communication between Employer and Employee, (a) the confidentiality and nondisclosure obligations herein shall not prohibit or restrict Employee from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC, any other governmental agency, any self-regulatory organization or any other state or federal regulatory authority, regarding any possible securities law violations, and (b) Employer shall not enforce or threaten to enforce, any confidentiality agreement or other similar agreement, nor take or threaten to take any other action against Employee for engaging in the types of communications described in (a) above.

11. Noncompetition and Nonsolicitation.

(a) During the term of Employee's employment, Employer agrees to provide, and to continue to provide Employee, on a daily, weekly, monthly and continual basis, access to, and the use of, its "Confidential Information and Trade Secrets" concerning Forbes's Business, and Employer's employees, Customers and Customer Representatives, Suppliers and Supplier Representatives and Employer's transactional histories with all of them, as well as information about the logistics, details, revenues and expenses of Forbes's Business, in order to allow Employee to perform Employee's duties under this Agreement, and to develop or continue to solidify relationships with Customers, Customer Representatives, Suppliers and Supplier Representatives. Employee acknowledges that new and additional Confidential Information and Trade Secrets regarding each of these matters is developed by Employer as a part of its continuing operations, and Employer hereby agrees to provide Employee access to and use of all such new, additional and continuing Confidential Information and Trade Secrets, and Employee acknowledges that access to such new, additional and continuing Confidential Information and Trade Secrets is essential for Employee to be able to perform, and continue to perform, Employee's duties under this Agreement. In addition, Employer agrees to provide, and continue to provide, training, education, direction and development to Employee with respect to all of Employer's business methods, processes, procedures, software and information, including newly developed and newly discovered information, in order to ensure Employee can perform Employee's duties hereunder and participate in Forbes's business.

(b) In consideration of Employer's agreement to provide Employee with access to and use of its Confidential Information and Trade Secrets, including new, additional and continuing Confidential Information and Trade Secrets, and to provide training, Employee agrees to refrain from competing with Employer, or otherwise engaging in Restricted Activities within the Restricted Area, each as defined herein, during the Restricted Period.

(c) Restricted Period. Employee agrees that during the term of his employment with Employer, and thereafter until the later of (i) the end of the Initial Term or any then applicable Extension Period and (ii) one (1) year following termination of Employee's employment following a notice of non-renewal, regardless of the date or cause of such termination of employment (the "Restricted Period"), and regardless of whether the termination of employment occurs with or without cause, and regardless of who terminates such employment, Employee will not, directly or indirectly, engage in any of the Restricted Activities within the Restricted Area.

(d) Restricted Activities. Restricted Activities shall mean and include all of the following:

(i) directly or indirectly, owning, managing, operating, joining, controlling, being employed by, or participating in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as an employee, officer, director, agent, independent contractor, recruiter, consultant, partner, shareholder, investor, lender, underwriter or in any other individual or representative capacity in any person, entity or business that is engaged in Forbes's Business (a "Restricted Enterprise"). The restrictions of this section shall not be violated by (i) the ownership of no more than 5% of the outstanding securities of any company whose stock is publicly traded or (ii) following the termination of his employment with Employer, his employment by a certified public accounting firm or a commercial or investment bank that may have as a client or customer: (A) a Competitor to Employer or (B) any of the clients or customers of Employer with whom Employer did business during the term of Employee's employment, so long as Employee does not directly or indirectly serve, advise or consult in any way such Competitor to Employer or client or customer of Employer, respectively, during the Restricted Period.

(ii) Recruiting, hiring or attempting to recruit or hire, either directly or by assisting others, any other employee of Employer, or any of its customers or suppliers in connection with Forbes's Business. For purposes of this covenant, "any other employee" shall include employees, consultants, independent contractors or others who are still actively employed by, or doing business with, Employer, its Customers or Suppliers, at the time of the attempted recruiting or hiring, or were so employed or doing business at any time within six months prior to the date of such attempted recruiting or hiring;

(iii) Communicating, by any means, soliciting or offering to solicit the purchase, performance, sale, furnishing, or providing of any equipment, services, or product which constitute any part of Forbes's Business to, for or with any Customer, Customer Representative, Supplier or Supplier Representative; and

(iv) Using, disclosing, publishing, copying, distributing or communicating any Confidential Information and Trade Secrets to or for the use or benefit of Employee or any other person or entity other than Employer.

(e) Permitted Activities. Subject to Section 5(a) and Section 11, no provision of this Agreement shall prohibit (i) Employee's continued officer positions, board memberships and service with board committees and/or investments in the entities listed on Schedule 1 attached hereto (the "Scheduled Entities") provided that (A) the Employee's role or amount of time spent with respect to any of the Scheduled Entities does not expand or increase from that in effect on December 1, 2016 and (B) the nature and scope of the services and/or products provided by the Scheduled Entities does not change from that in effect on December 1, 2016 or (ii) such other activities as may be approved by the Board at any time after the Commencement Date (collectively, the "Permitted Activities").

(f) Restricted Area. The Restricted Area shall mean and include anywhere in the continental United States.

(g) Agreement Ancillary to Other Agreements. This covenant not to compete is ancillary to and part of other agreements between Employer and Employee, including, without limitation, Employer's agreement to disclose, and continue to disclose, its Confidential Information and Trade Secrets, and its agreement to provide, and continue to provide, training, education and development to Employee.

(h) Independent Agreements. The parties hereto agree that the foregoing restrictive covenants set forth herein are essential elements of this Agreement, and that, but for the agreement of Employee to comply with such covenants, Employer would not have agreed to enter into this Agreement. Such covenants by Employee shall be construed as agreements independent of any other provision in this Agreement. The existence of any claim or cause of action of Employee against Employer, whether predicated on this Agreement, or otherwise, shall not constitute a defense to the enforcement by Employer of such covenants.

(i) Equitable Reformation. The parties hereto agree that if any portion of the covenants set forth herein are held to be illegal, invalid, unreasonable, arbitrary or against public policy, then such portion of such covenants shall be considered divisible both as to time and geographical area. Employer and Employee agree that, if any court of competent jurisdiction determines the specified time period or the specified geographical area applicable herein to be illegal, invalid, unreasonable, arbitrary or against public policy, a lesser time period or geographical area which is determined to be reasonable, non-arbitrary and not illegal or against public policy may be enforced against Employee. Employer and Employee agree that the foregoing covenants are appropriate and reasonable when considered in light of the nature and extent of the business conducted by Employer and the Confidential Information and Trade Secrets and training provided by Employer to Employee.

12. Injunctive Relief. Employee agrees that damages at law will be an insufficient remedy to Employer if Employee violates or attempts or threatens to violate the terms of Sections 9, 10 or 11 of this Agreement and that Employer would suffer irreparable damage as a result of such violation or attempted or threatened violation. Accordingly, it is agreed that Employer shall be entitled, upon application to a court of competent jurisdiction, to obtain injunctive relief to enforce the provisions of such Sections, which injunctive relief shall be in addition to any other rights or remedies available to Employer, at law or in equity. In the event either party commences legal action relating to the enforcement of the terms of Sections 9, 10 or 11 of this Agreement, the prevailing party in such action shall be entitled to recover from the other party all of the costs and expenses in connection therewith, including reasonable fees and disbursements of counsel (both at trial and in appellate proceedings).

13. Compliance with Other Agreements. Employee represents and warrants that the execution of this Agreement by him and his performance of his obligations hereunder will not conflict with, result in the breach of any provision of or the termination of or constitute a default under any agreement to which Employee is a party or by which Employee is or may be bound.

14. Waiver of Breach. The waiver by Employer of a breach of any of the provisions of this Agreement by Employee shall not be construed as a waiver of any subsequent breach by Employee.

15. Binding Effect; Assignment.

(a) Employer is a subsidiary of Forbes Energy Services Ltd. (the Parent), and Forbes's Business, as defined in Section 10, is carried on by, and the Confidential Information and Trade Secrets as defined in Section 10 has been, and will continue to be, developed by Employer, Parent and each of Parent's or Employer's subsidiaries and affiliates, all of which shall be included within the meaning of the word "Employer" as that term is used in Sections 9, 10, 11 and 12 of this Agreement. This Agreement shall inure to the benefit of, and be enforceable by, Employer, Parent, and each of the subsidiaries and affiliates included within the definition of the word "Employer" as used in Sections 9, 10, 11 and 12.

(b) The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Employer. This Agreement is a personal employment contract and the rights, obligations and interests of Employee hereunder may not be sold, assigned, transferred, pledged or hypothecated.

16. Indemnification. Employee shall be entitled throughout the term of this Agreement and thereafter to indemnification by Parent and Employer in respect of any actions or omissions as an employee, officer or director of Parent, Employer (or any successor thereof) to the fullest extent permitted by law. The parties acknowledge that Employee is also entitled to the benefits of a separate Indemnification Agreement between Employee and Parent and that this section shall be read as complimentary with and not in conflict with or substitution for such Indemnification Agreement. Parent and Employer also agree to obtain directors and officers (D&O) insurance in a reasonable amount determined by the Board and to maintain such insurance during the term of this Agreement (as such Agreement may be extended from time to time) and for a period of twelve (12) months following the termination of this Agreement, as so extended.

17. Entire Agreement. This Agreement (including Appendix "A" and Appendix "B", as either may be amended from time to time) contains the entire agreement and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof, including without limitation the Existing Employment Agreement. This Agreement may be changed only by an agreement in writing signed by the party against whom any waiver, change, amendment, modification or discharge is sought.

18. Construction and Interpretation.

(a) The Board shall have the sole and absolute discretion to construe and interpret the terms of this Agreement, unless another individual or entity is charged with such responsibility.

(b) This Agreement shall be construed pursuant to and governed by the laws of the State of Texas (but any provision of Texas law shall not apply if the application of such provision would result in the application of the law of a state or jurisdiction other than Texas).

(c) The headings of the various sections in this Agreement are inserted for convenience of the parties and shall not affect the meaning, construction or interpretation of this Agreement.

(d) Consistent with Section 11(i), the following sentences of this Section 18(d) shall apply. Any provision of this Agreement that is determined by a court of competent jurisdiction to be prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. In any such case, such determination shall not affect any other provision of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect. If any provision or term of this Agreement is susceptible to two or more constructions or interpretations, one or more of which would render the provision or term void or unenforceable, the parties agree that a construction or interpretation that renders the term or provision valid shall be favored.

(e) This Agreement shall be construed to the extent necessary to comply with the provisions of Section 409A of the Code and any Treasury Regulations and other guidance issued thereunder

19. Notice. All notices that are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy or similar electronic transmission method; one working day after it is sent, if sent by recognized expedited delivery service; and five days after it is sent, if mailed, first class mail, certified mail, return receipt requested, with postage prepaid. In each case notice shall be sent to:

To Employer: Forbes Energy Services LLC
Attention: John E. Crisp, President and Chief Executive Officer
3000 South Business Highway 281
Alice, Texas 78332
Fax: (713) 481-8344

To Employee: John E. Crisp

20. Venue; Process. The parties agree that all obligations payable and performable under this Agreement are payable and performable at the offices of Employer in Alice, Jim Wells County, Texas. The parties to this Agreement agree that jurisdiction and venue in any action brought pursuant to this Agreement to enforce its terms or otherwise with respect to the relationships between the parties shall properly lie in the Judicial District Court for Jim Wells County or in the United States District Court for the Southern District of Texas, Corpus Christi Division, Corpus Christi Office.

21. Six-Month Delay. Notwithstanding any provision of this Agreement to the contrary, if, at the time of Employee's termination of employment with Employer, he is a “specified employee” as defined in Section 409A of the Code, and one or more of the payments or benefits received or to be received by Employee pursuant to this Agreement would constitute deferred compensation subject to Section 409A of the Code, no such payment or benefit will be provided under this Agreement until the earlier of (a) the date that is six (6) months following Employee’s termination of employment with Employer, or (b) the Employee’s death. The provisions of this Section 21 shall only apply to the extent required to avoid Employee’s incurrence of any penalty tax or interest under Section 409A of the Code or any Treasury Regulations and other guidance issued thereunder

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

EMPLOYER:

FORBES ENERGY SERVICES LLC

By:____________________________________
L. Melvin Cooper
Senior Vice President and Chief Financial Officer

EMPLOYEE:

____
John E. Crisp

ACKNOWLEDGED AND AGREED TO FOR PURPOSES OF GUARANTEEING THE FINANCIAL OBLIGATIONS OF EMPLOYER TO EMPLOYEE:

FORBES ENERGY SERVICES LTD.

By:____________________________________
L. Melvin Cooper
Senior Vice President and Chief Financial Officer

APPENDIX A

[TBD]

APPENDIX B

[TBD]

APPENDIX C

YOU SHOULD CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS RELEASE OF CLAIMS.

RELEASE

1. In consideration of the payments and benefits to be made under the Employment Agreement, dated as of ______________________________, 2017 (the "Employment Agreement"), by and between John E. Crisp (the "Employee") and Forbes Energy Services LLC (the "Employer") (each of the Employee and the Employer, a "Party" and collectively, the "Parties"), the sufficiency of which the Employee acknowledges, the Employee, with the intention of binding the Employee and the Employee's heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Employer and each of its subsidiaries and affiliates (the "Employer Affiliated Group"), their present and former officers, directors, Employees, shareholders, agents, attorneys, employees and employee benefit plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Employer Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Employee, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, arising on or prior to the date hereof, against any Employer Released Party that arises out of, or relates to, the Employment Agreement, the Employee's employment with the Employer or any of its subsidiaries and affiliates, or any termination of such employment, including claims (i) for severance or vacation benefits, unpaid wages, salary or incentive payments, (ii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iii) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (iv) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, and including, without limitation, any claim under Title VII of the Civil Rights Act of 1964 ("Title VII"), the Civil Rights Act of 1988, the Fair Labor Standards Act, the Americans with Disabilities Act ("ADA"), the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Age Discrimination in Employment Act ("ADEA"), and any similar or analogous state statute, excepting only:

A. rights and entitlements Employee may have under the Employment Agreement, including any payments that are due to be made subject to execution and delivery of this Release;

B. rights Employee may have under the Company's Management Incentive Plan and any awards granted to Employee thereunder;

C. claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Employer Affiliated Group; and

D. rights to indemnification the Employee has or may have under the by-laws or certificate of incorporation of any member of the Employer Affiliated Group or as an insured under any director's and officer's liability insurance policy now or previously in force;

2. The Employee acknowledges and agrees that this Release is not to be construed in any way as an admission of any liability whatsoever by any Employer Released Party, any such liability being expressly denied.

3. This Release applies to any relief no matter how called, including, without limitation, wages, back pay, front pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorneys' fees and expenses.

4. The Employee specifically acknowledges that the Employee's acceptance of the terms of this Release is, among other things, a specific waiver of the Employee's rights, claims and causes of action under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything contained herein purport, to be a waiver of any right or claim or cause of action which by law the Employee is not permitted to waive.

5. The Employee acknowledges that the Employee has been given a period of forty-five (45) days to consider whether to execute this Release. If the Employee accepts the terms hereof and executes this Release, the Employee may thereafter, for a period of seven (7) days following (and not including) the date of execution, revoke this Release. If no such revocation occurs, this Release shall become irrevocable in its entirety, and binding and enforceable against the Employee, on the day next following the day on which the foregoing seven-day period has elapsed. If such a revocation occurs, the Employee shall irrevocably forfeit any right to payment of the Severance Benefits (as defined in the Employment Agreement), but the remainder of the Employment Agreement shall continue in full force.

6. The Employee acknowledges and agrees that the Employee has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any complaints, charges or lawsuits against any Employer Released Party with any governmental agency, court or tribunal.

7. The Employee acknowledges that the Employee has been advised to seek, and has had the opportunity to seek, the advice and assistance of an attorney with regard to this Release, and has been given a sufficient period within which to consider this Release.

8. The Employee acknowledges that this Release relates only to claims that exist as of the date of this Release.

9. The Employee acknowledges that the Severance Benefits the Employee is receiving in connection with this Release and the Employee's obligations under this Release are in addition to anything of value to which the Employee is entitled from the Employer.

10. Each provision hereof is severable from this Release, and if one or more provisions hereof are declared invalid, the remaining provisions shall nevertheless remain in full

force and effect. If any provision of this Release is so broad, in scope, or duration or otherwise, as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

11. This Release constitutes the complete agreement of the Parties in respect of the subject matter hereof and shall supersede all prior agreements between the Parties in respect of the subject matter hereof except to the extent set forth herein. For the avoidance of doubt, however, nothing in this Release shall constitute a waiver of any Employer Released Party's right to enforce any obligations of the Employee under the Employment Agreement that survive the Employment Agreement's termination, including without limitation, any non-competition covenant, non-solicitation covenant or any other restrictive covenants contained therein.

12. The failure to enforce at any time any of the provisions of this Release or to require at any time performance by another party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect the validity of this Release, or any part hereof, or the right of any party thereafter to enforce each and every such provision in accordance with the terms of this Release.

13. Notwithstanding anything to the contrary herein, this Release shall be void *ab initio* if Employer fails to provide the Severance Benefits (as defined in the Employment Agreement) to Employee.

14. This Release may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures delivered by facsimile shall be deemed effective for all purposes.

15. This Release shall be binding upon any and all successors and assigns of the Employee and the Employer.

16. Except for issues or matters as to which federal law is applicable, this Release shall be governed by and construed and enforced in accordance with the laws of the State of Texas without giving effect to the conflicts of law principles thereof.

[signature page follows]

IN WITNESS WHEREOF, this Release has been signed of _______________, 20__.

____
John E. Crisp

SCHEDULE 1
PERMITTED ACTIVITIES

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of the ___________________________, 2017, but is effective as of the Commencement Date (as hereinafter defined), by and between Forbes Energy Services LLC, a Delaware limited liability company (the "Employer"), and Charles C. Forbes, Jr., residing at (the "Employee").

WITNESSETH:

WHEREAS, Employee is presently employed with Employer pursuant to that certain Employment Agreement entered into as of May 1, 2008 (the "Original Agreement"), as amended by that certain First Amendment to Employment Agreement effective as of July 30, 2015 (the "Amendment" and together with the Original Agreement, the "Existing Employment Agreement");

WHEREAS, Employer and Employee desire to amend and restate the Existing Employment Agreement in order to make certain changes thereto; and

WHEREAS, Employer and Employee agree that this Agreement shall amend and restate the Existing Employment Agreement in its entirety, commencing on the Commencement Date, and that the Existing Employment Agreement shall terminate in its entirety.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. Employer has employed and hereby continues to employ Employee, and Employee hereby accepts such continued employment, upon the terms and subject to the conditions set forth in this Agreement. Employee shall be employed by Employer but may serve (and if requested by Employer shall serve) as an officer and/or director of its parent, Forbes Energy Services Ltd. ("Parent"), or any subsidiary or affiliate of Employer or Parent.

2. Term. The term of employment under this Agreement shall commence on ___________________________, 2017 (the "Commencement Date") and shall continue for four (4) years thereafter (such four year period, the "Initial Term"); *provided, however*, that, unless terminated as contemplated herein, beginning on the first day after the Initial Term and on every anniversary of such date thereafter (each a "Renewal Date"), the then-existing term of this Agreement shall automatically be extended one additional year unless either party gives the other written notice of termination between one hundred eighty (180) and two hundred forty (240) days prior to any such Renewal Date. For the avoidance of doubt, notice of termination of this Agreement given any time other than between the one hundred eighty (180) and two hundred forty (240) days prior to a Renewal Date shall be void and ineffective. Written notice by Employer shall be solely pursuant to a duly adopted resolution of Employer's or Parent's board of directors. Following the date of termination of employment, Employee shall have no further rights, including but not limited to rights under Section 8, or obligations hereunder, except obligations set forth in Sections 10 and 11.

3. Compensation and Benefits.

(a) Employer shall pay to Employee as compensation for all services rendered by Employee a basic annualized salary of $650,000.00 per year during the Initial Term, or such other sums as the parties may agree on from time to time, payable semi-monthly or in other more frequent installments, as determined by the Board (as hereinafter defined). The board of directors of Parent or, if the same is established, the compensation committee of the board of directors of Parent (the "Compensation Committee"), by providing direction through the board of directors of Employer (collectively, the board of directors of Parent, the Compensation Committee and the board of directors of Employer are referred to as the "Board") shall have the right to increase Employee's compensation from time to time and Employee shall be entitled to an annual review thereof or more frequently as determined by the Board. In addition, the Board, in its discretion, may, with respect to any year during the term hereof, award a bonus or bonuses to Employee; *provided, however,* Employer shall annually provide Employee with a bonus based on the terms to be determined by the Compensation Committee or the Board. Such terms shall be more particularly described in Appendix "A" to be attached hereto. Appendix "A" may be modified, supplemented, or replaced from time to time as determined by the Compensation Committee and established by written agreement between Employer and Employee for the purpose of defining the then current bonus calculation methodologies from the applicable year(s). The compensation provided for in this Section 3(a) shall be in addition to any pension or profit sharing payments set aside or allocated for the benefit of Employee in either a tax qualified plan or otherwise.

It is the intention of the parties that an Appendix "B" will be approved by the Board and signed by the Chairman of the Compensation Committee or a non-management representative of the Board and the Employee no later than June 30 of each calendar year (or portion thereof) covered by this Agreement, as amended. In the absence of an approval by the Compensation Committee or the Board of such an Appendix "B" for any year (or portion thereof), the Appendix "B" for the prior year will remain in full force and effect.

(b) Employer shall reimburse Employee for all reasonable expenses incurred by Employee in the performance of his duties under this Agreement, in accordance with the Employer's expense reimbursement policy; *provided, however*, that Employee must furnish to Employer an itemized account, in form satisfactory to Employer, in substantiation of such expenditures.

(c) Employee shall be entitled to such fringe benefits including, but not limited to, medical and family insurance benefits as may be provided from time to time by Employer to other senior officers of Employer and on an economic basis consistent with past practices and policies of Employer; *provided, however,* that any health insurance shall not provide for a preexisting condition limitation, and, *provided further*, that during the term of this Agreement, the aggregate annual cost for such fringe benefits shall not exceed $36,000.

(d) To the extent permitted by applicable law and terms of the benefit plans, Employer shall include in Employee's credited service, in any case where credited service is relevant in determining eligibility for or benefits under any employee benefits plan, the

Employee's service for any parent, subsidiary or affiliate of Employer or for any predecessor thereof and time served at prior employers.

(e) Employer shall provide Employee with a vehicle or auto allowance during the term of the Agreement as approved by the President and Chief Executive Officer. Employer will also pay for auto insurance, maintenance and fuel, unless such auto allowance is set to cover insurance and maintenance. Employee may use the automobile for personal use and will pay all taxes related to such personal use.

(f) The amount of expenses eligible for reimbursement or in-kind benefits provided during a calendar year may not affect the expenses eligible for reimbursement to be provided in any other calendar year. Reimbursement of eligible expenses will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred and the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(g)

(i) Employee shall be eligible to participate in such incentive compensation and stock option plans that have been approved or may in the future be approved by the shareholders of Parent or Employer and administered by the Board.

(ii) Employee and Employer agree that in connection with the Reorganization (as hereinafter defined), Parent shall establish a customary management incentive plan (the "MIP") under which shares of new common stock of Parent equal to twelve and one-half of one percent (12.5%) times the sum of (a) the number of shares of new common stock of Parent issued to holders of Parent's 9% senior notes as of the effective date of the Reorganization and (b) the number of shares of new common stock issuable under the MIP will be reserved for grants made from time to time to the officers and other key employees of Employer or Parent, including Employee (the "MIP Aggregate Equity"). Employer and Employee agree that the MIP shall provide for grants of eight and one half of one percent (8.5%) of the MIP Aggregate Equity on the effective date of the Reorganization, the distribution (including the distribution to the Employee) of which shall be determined by the Chairman of the Board in consultation with the Board, subject to the following: (i) one percent (1%) of the MIP Aggregate Equity will vest upon the achievement of certain performance metrics based on the business plan of Employer approved by the Board, (ii) seven and two-tenths of one percent (7.2%) of the MIP Aggregate Equity shall vest as follows: one-fifth ($1/5^{th}$) shall vest on the effective date of the Reorganization and one-fifth ($1/5^{th}$) shall vest on each one year anniversary through the fourth anniversary of the effective date of the Reorganization, and (iii) if Exit Financing Termination Date (as defined in the MIP) does not occur within eighteen (18) months following the Commencement Date, an additional number of shares shall be allocated (the "Exit Financing Awards"), such number determined by multiplying the product of three-tenths of one percent (0.3%) of the MIP Aggregate Equity times a fraction, (A) the numerator of which is the number of days between (x) eighteen (18) months after the Commencement Date and (y) the Exit Financing Termination Date, and (B) the denominator of which is the number of days between (x) eighteen (18) months after the

Commencement Date and (y) the stated maturity date of the Exit Financing. The Exit Facility Awards, if any, shall be allocated ratably on the same basis as the seven and two-tenths of one percent (7.2%) of the MIP Aggregate Equity and shall vest as follows: (i) two-fifths (2/5ths) shall vest on the first day following the date that is eighteen (18) months after the Commencement Date and (ii) one-fifth (1/5th) shall vest on each of the second, third and fourth anniversaries of the Commencement Date. The remaining pool of four percent (4%) of the MIP Aggregate Equity under the MIP shall be reserved for distribution as determined by the Board in consultation with the Chairman of the Board or, in the event of a Change in Control, shall be granted and allocated as set forth in the MIP.

4. Duties. Employee is engaged and shall serve as Executive Vice President and Chief Operating Officer of (i) Parent, (ii) Employer and (iii) any other direct or indirect subsidiaries of Parent that may be formed or acquired. In addition, Employee shall have such other duties and hold such other offices as may from time to time be reasonably assigned to him by the Board. These services shall be provided from offices located in Alice, Texas or such other location as may be mutually agreed.

5. Extent of Services; Vacations and Days Off.

(a) During the term of his employment under this Agreement, Employee shall devote substantially his full business time, energy and attention to the benefit and business of Employer as may be necessary in performing his duties pursuant to this Agreement, subject to the following sentence. Employee shall not provide services of a business nature to any other person except that the Employee may engage in the Permitted Activities (as defined in Section 11(e)) provided that such activities do not significantly interfere with the Employee's performance of his duties hereunder. In order to maximize Employee's efficiency and effectiveness for Employer, Employee may utilize the services of his executive assistant to assist Employee with de minimis personal matters.

(b) Employee shall be entitled to vacations and holidays with pay and to such personal and sick leave with pay in accordance with the policy of Employer as may be established from time to time by Employer and applied to other senior officers of Employer; *provided, however*, that Employee shall annually be entitled to the maximum number of vacation days and holidays afforded to any other officer of Employer or Parent.

6. Facilities. Employer shall provide Employee with a fully furnished office of no less stature, type, and size than was provided as of the Commencement Date, and the facilities of Employer shall be generally available to Employee in the performance of his duties pursuant to this Agreement; it being understood and contemplated by the parties that all equipment, supplies and office personnel required for Employee's performance of duties under this Agreement shall be supplied by Employer.

7. Illness or Incapacity, Termination on Death.

(a) If during the term of his employment Employee becomes permanently disabled, as defined below, or dies, Employer shall pay to the Employee or his estate compensation through the date of death or determination of permanent disability, including salary, any prior year bonus compensation earned but not yet paid and the pro-rated portion of any current year bonus as and when determined in the ordinary course of the calculation of current year bonus due to other executive officers of Employer. Employer shall continue to provide medical insurance and other benefits to which Employee's dependents would otherwise have been entitled for one year following the date of death or determination of permanent disability. Effective upon the date of death or determination of permanent disability, any and all options, rights or awards granted in conjunction with Parent's or Employer's incentive compensation and stock option plans shall immediately vest. Except for the benefits set forth in the preceding sentences and any life insurance benefits included in the benefit package provided at such time by Employer to Employee, Employer shall have no additional financial obligation under this Agreement to Employee or his estate. After receiving the payments and health insurance benefits provided in this subparagraph (a), Employee and his estate shall have no further rights under this Agreement.

(b)

(i) During any period of disability, illness or incapacity during the term of this Agreement that renders Employee at least temporarily unable to perform the services required under this Agreement for a period that shall not equal or exceed ninety (90) continuous days (provided that a return to full work status of less than five full days shall be deemed not to interrupt the calculation of such 90 days), Employee shall receive the compensation payable under Section 3(a) of this Agreement plus any bonus compensation earned through the last day of such ninety (90) day period but not yet paid, less any benefits received by him under any disability insurance carried by or provided by Employer. All rights of Employee under this Agreement (other than rights already accrued) shall terminate as provided below upon Employee's permanent disability (as defined below), although Employee shall continue to receive any disability benefits to which he may be entitled under any disability income insurance that may be carried by or provided by Employer from time to time; Employer hereby agrees to provide such insurance on a same occupation basis.

(ii) The terms “permanently disabled” and “permanent disability” as used in this Agreement shall mean that Employee is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under any long term disability plan maintained by Employer that covers Employee. In the absence of such a long term disability plan, “permanently disabled” and “permanent disability” shall mean that Employee is unable to engage in any substantial gainful activity for a period of at least ninety (90) days in any one-year period by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months. In the event Employee becomes “permanently disabled,” the Board may terminate Employee’s employment under this Agreement upon ten (10) days’ prior written notice. If any determination with respect to “permanent disability” is disputed by Employee, the parties hereto agree to abide by the determination with respect to “permanent disability” of a panel of three physicians. Employee and the Board shall each appoint one member, and the third member of the panel shall be appointed by the other two members. Employee agrees to make himself available for and submit to examinations by such physicians as may be directed by the Board. Failure to submit to any such examination shall constitute a breach of a material part of this Agreement.

8. Other Terminations.

(a)

(i) Employee may terminate his employment hereunder for any reason whatsoever upon giving at least thirty (30) days' prior written notice. In addition, Employee shall have the right to terminate his employment hereunder (a) at any time for "good reason" or (b) on the conditions provided for in Sections 8(d)(i)(1), 8(d)(i)(2) or 8(d)(i)(3) of this Agreement following a Change in Control. As used herein, "good reason" means the occurrence of any of the following: (1) the relocation of Employee's office to a location outside the State of Texas, (2) Employee no longer holds the principal executive office held by Employee on the Commencement Date, or (3) a change in reporting structure of Employer or Parent where Employee is required to report to someone holding a title or position different than the title or position of the person (or the Board in the case of the President and Chief Executive Officer) that Employee was required to report to on the Commencement Date.

(ii) If Employee gives notice pursuant to the first sentence of Section 8(a)(i) but not based on the second sentence of Section 8(a)(i) above, Employer shall have the right to relieve Employee, in whole or in part, of his duties under this Agreement (without reduction in compensation through the termination date).

(iii) If Employee terminates his employment hereunder pursuant to clause (a) of the second sentence of Section 8(a)(i) above, then (a) any and all options, rights or awards granted in conjunction with Parent's or Employer's incentive compensation and stock option plans (other than awards subject to performance criteria ("Performance Awards")) shall immediately vest and a "pro rata portion" of each Performance Award shall remain outstanding until the end of the applicable performance period (or, if earlier, until the occurrence of a Change in Control) and shall vest or not based on the actual performance for the performance period or, if applicable, upon the Change in Control as provided in Section 8(d)(i), and (b) Employee shall continue to receive the salary, bonus and other compensation and benefits specified in Section 3 for the remainder of the Initial Term or any then applicable Extension Period, in each case in the amount and kind and at the time provided for in Section 3 (provided, however, that if such benefits are not available under Employer's benefit plans or applicable law, Employer shall be responsible for the cost of providing equivalent benefits); *provided that*, bonuses for each calendar year until the termination of this Agreement shall be paid based on the greater of (x) the amount equal to the total bonus paid for the last completed year for which bonuses have been paid or (y) the amount equal to the bonuses that would have been payable for the then current year (or, in the case of a date of termination of employment that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year), determined on a basis consistent with the last completed year for which bonuses have been paid but using the projected bonus amounts for the then current year (or, in the case of a date of termination of this Agreement that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year) determined by extrapolating the information as of the date of termination of this Agreement based on the best information available at the time of the calculation; *provided further that*, notwithstanding the termination of this Agreement, Employee's covenants set forth in Sections 10 and 11 shall remain in full force and effect. If Employee shall violate any of the provisions of Sections 10 or 11 at any time prior to the termination of this Agreement, then, in addition to its other rights and remedies, Employer shall have the right to terminate all further payments of compensation or benefits to Employee, and shall have no further obligation therefor.

For purposes of this Agreement, the "pro rata portion" of a Performance Award shall be the amount calculated by multiplying the full amount determined based on the Employer's achievement of the performance criteria for the full performance period specified in the applicable award agreement between Employer and Employee by a fraction, the numerator of which is the number of days of the performance period through Employee's termination of employment and the denominator of which is the number of days of the performance period.

For purposes of this Agreement, the term "Extension Period" shall mean the period from a Renewal Date to the day immediately preceding the first anniversary of such Renewal Date.

(b)

(i) Except as otherwise provided in this Agreement, Employer may terminate the employment of Employee hereunder only for "good cause" (as defined below) and upon written notice.

(ii) As used herein, "good cause" shall mean:

(1) Employee's conviction of either a felony involving moral turpitude or any crime in connection with his employment by Employer that causes Employer a substantial detriment, but specifically shall not include traffic offenses;

(2) actions or inactions by Employee that clearly are contrary to the best interests of Employer;

(3) Employee's willful failure to take actions permitted by law and necessary to implement policies of the Board that the Board has communicated to him in writing, provided that such policies that are reflected in minutes of a Board meeting attended in its entirety by Employee shall be deemed communicated to Employee;

(4) Employee's continued failure to devote substantially his full business time, energy and attention to his duties as an executive officer of Employer or its affiliates as contemplated in Section 5(a) above, following written notice from the Board to Employee of such failure; or

(5) any condition that either resulted from Employee's current substantial dependence on alcohol, or any narcotic drug or other controlled or illegal substance. If any determination of substantial dependence is disputed by Employee, the parties hereto agree to abide by the decision of a panel of three physicians appointed in the manner specified in Section 7(b)(ii) of this Agreement.

(6) With respect to (ii) through (v) above, such circumstances shall not constitute "good cause" unless Employee has failed to cure such circumstances within ten (10) business days following written notice thereof from the Board identifying in reasonable detail the manner in which the Employer believes that Employee has not performed such duties and indicating the steps Employer requires to cure such circumstances.

(iii) Termination of the employment of Employee for reasons other than those expressly specified in this Agreement as good cause shall be deemed to be a termination of employment "without good cause."

(c)

(i) If Employer shall terminate the employment of Employee without good cause effective on a date earlier than the end of the Initial Term or any then applicable Extension Period, Employee shall continue to receive the salary, bonus and other compensation and benefits specified in Section 3 for the remainder of the Initial Term or any then applicable Extension Period, in each case in the amount and kind and at the time provided for in Section 3 (provided, however, that if such benefits are not available under Employer's benefit plans or applicable law, Employer shall be responsible for the cost of providing equivalent benefits); *provided that*, bonuses for each calendar year until the termination of employment shall be paid based on the greater of (x) the amount equal to the total bonus paid for the last completed year for which bonuses have been paid or (y) the amount equal to the bonuses that would have been payable for the then current year (or, in the case of a date of termination of employment that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year), determined on a basis consistent with the last completed year for which bonuses have been paid but using the projected bonus amounts for the then current year (or, in the case of a date of termination of employment that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year) determined by extrapolating the information as of the date of termination of employment based on the best information available at the time of the calculation; *provided further that*, notwithstanding such termination of employment, Employee's covenants set forth in Sections 10 and 11 shall remain in full force and effect. If Employee shall violate any of the provisions of Sections 10 or 11 at any time prior to the expiration of the Initial Term or the applicable Extension Period, then, in addition to its other rights and remedies, Employer shall have the right to terminate all further payments of compensation or benefits to Employee, and shall have no further obligation therefor.

(ii) If Employer shall terminate the employment of Employee without good cause effective on a date earlier than the end of the Initial Term or any then applicable

Extension Period, any and all options, rights or awards granted in conjunction with Parent's or Employer's incentive compensation and stock option plans (other than Performance Awards) shall immediately vest and a "pro rata portion" of each Performance Award shall remain outstanding until the end of the applicable performance period (or, if earlier, until the occurrence of a Change in Control) and shall vest or not based on the actual performance for the performance period or, if applicable, upon the Change in Control as provided in Section 8(d)(i).

(iii) The parties agree that, because there can be no exact measure of the damages that would occur to Employee as a result of a termination by Employer of Employee's employment without good cause, the payments and benefits paid and provided pursuant to Section 8 shall be deemed to constitute liquidated damages and not a penalty for Employer's termination of Employee's employment without good cause, and Employer agrees that Employee shall not be required to mitigate his damages.

(d)

(i) If a Change in Control (as defined in the MIP as in effect on the Commencement Date) of Parent shall occur, then any and all options, rights or awards (including restricted stock awards and restricted stock unit awards) granted to Employee in conjunction with the Parent's or Employer's incentive compensation or equity incentive compensation plans shall be deemed to have vested immediately prior to such Change in Control; *provided that*, with respect to the immediate vesting of any and all Performance Awards, such awards shall immediately vest if and to the extent determined by the Board at the time of grant and set forth in the applicable award agreement between Employee and Employer. Further, if a Change in Control of Parent shall occur, and

(1) Employee shall voluntarily terminate his employment following such Change in Control in the event that the Employer:

(A) has after the Change in Control reduced Employee's annual base salary or potential bonus level or any incentive compensation or equity incentive compensation plan benefit (as in effect immediately before such Change in Control);

(B) has relocated Employee's office to a location that is more than 10 miles from the location in which Employee principally works for Employer or Parent immediately before such Change in Control;

(C) has relocated the principal executive office of Parent, Employer or the office of Employer's operating group for which Employee performed the majority of his services for Employer during the year before the Change in Control to a location that is more than 10 miles from the location of such office immediately before such Change in Control;

(D) has required Employee, in order to perform duties of substantially equal status to those duties Employee performed immediately before the Change in Control, to travel on Employer's business to a substantially greater extent than is consistent with Employee's travel obligations immediately before such Change in Control;

(E) has failed to continue to provide Employee with benefits substantially equivalent to those enjoyed by Employee under any of Employer's life insurance, medical, health and accident or disability plans and incentive compensation or equity incentive compensation plans in which Employee was participating immediately before the Change in Control;

(F) has taken any action that would directly or indirectly materially reduce any of such benefits or deprive Employee of any material fringe benefit enjoyed by Employee immediately before the Change in Control;

(G) has failed to provide Employee with at least the number of paid vacation days to which Employee is entitled on the basis of years of service under Employer's normal vacation policy in effect immediately before the Change in Control giving credit for time served at Employer or Parent;

(2) Employee shall voluntarily terminate his employment following such Change in Control in the event that, as a result of the Change in Control and a change in circumstances thereafter significantly affecting his position other than those listed in Section 8(d)(i)(1) above, he no longer has the authorities, powers, functions or duties attached to his position as an executive officer of Employer, Parent or any of their affiliates;

(3) Employee shall voluntarily terminate his employment following such Change in Control, in the event that there has been a substantial diminution of his duties, responsibilities, status, title or position as an executive officer of Employer, Parent or any of their affiliates; or

(4) Employee shall have his employment terminated by Employer for reasons other than those specified in Section 8(b)(ii) following such Change in Control;

then in any of the above four cases, Employee shall be entitled to receive the salary, bonus and other compensation and benefits specified in Section 8(a)(iii) for the periods specified in such section.

(ii) Employee acknowledges and agrees that the reorganization of Parent (the “Reorganization”) pursuant to which this Agreement is entered into shall not be deemed a Change in Control (or phrase having a similar import) for purposes of this Agreement, the Prior Agreement or any other agreement, plan or arrangement to which Employee is a party or in which Employee has any interest.

(e) If the employment of Employee is terminated for good cause under Section 8(b)(ii) of this Agreement, or if Employee voluntarily terminates his employment by written notice to Employer under Section 8(a) of this Agreement without reliance on Section 8(d), Employer shall pay to Employee any compensation earned but not paid to Employee prior to the effective date of such termination. Under such circumstances, such payment shall be in full and complete discharge of any and all liabilities or obligations of Employer to Employee hereunder, and Employee shall be entitled to no further benefits under this Agreement. Employee must, however, still comply with the obligations set forth in Sections 10 and 11 of this Agreement.

(f) Employer's obligations to provide the compensation and benefits (the "Severance Benefits") under Sections 8(a)(iii), 8(c) or 8(d), as applicable, shall be conditioned upon Employee having executed and delivered to Employer the release of claims substantially in the form attached hereto as Appendix C (the "Release") and the period (if any) during which the Release can be revoked having expired within the 45-day period following the Employee's date of termination; provided, that, if such 45-day period spans two (2) calendar years, no Severance Benefits shall be paid or commenced to be paid until the second year, with the first payment including any amount that would have been paid during such forty-five (45) day period but for this sentence being made promptly following such forty-five (45) day period. Employer and Employee agree that, should Employer fail to provide the Severance Benefits to Employee, the Release shall be void *ab initio*.

9. Inventions and Other Intellectual Property. Employee agrees that during the term of his employment by Employer, he will disclose to Employer (and no one else) all ideas, methods, plans, developments or improvements known by him which relate directly or indirectly to the business of Employer, whether acquired by Employee before or during his employment by Employer. Nothing in this Section 9 shall be construed as requiring any such communication where the idea, plan, method or development is lawfully protected from disclosure as a trade secret of a third party or by any other lawful prohibition against such communication.

10. Confidential Information and Trade Secrets.

(a) For purposes of this Agreement, the term "Forbes's Business" shall mean any business in which the Company or any of its subsidiaries are engaged, including, without limitation, the business of providing oilfield services relating to, among other things, fluid handling, well servicing and workovers, and tubing testing in the Restricted Area (as defined below). In this business, Employer generates a tremendous volume of Confidential Information and Trade Secrets which it hereby agrees to share with Employee, and which Employee will have access to and knowledge of through or as a result of Employee's employment with the Employer. "Confidential Information and Trade Secrets" includes any information, data or compilation of information or data developed, acquired or generated by Employer, or its employees (including information and materials conceived, originating, discovered, or developed in whole or in part by Employee at the request of or for the benefit of Employer or while employed by Employer), which is not generally known to persons who are not employees of Employer, and which Employer generally does not share other than with its employees, or with its customers and suppliers on an individual transactional basis. "Confidential Information and Trade Secrets" may be written, verbal or recorded by electronic, magnetic or other methods, whether or not expressly identified as "Confidential" by Employer.

(b) "Confidential Information and Trade Secrets" includes, but is not limited to, the following information and materials:

(i) Financial information, of any kind, pertaining to Employer, including, without limitation, information about the profit margins, profitability, income and expenses of Employer or any of its divisions or lines of business;

(ii) Names and all other information about, and all communications received from, sent to or exchanged between, Employer and any person or entity which has purchased, contracted, hired, chartered equipment, vessels, personnel or services, or otherwise entered into a transaction with Employer regarding Forbes's Business, or to which Employer has made a proposal with respect to Forbes's Business (such person or entity being hereinafter referred to as "Customer" or "Customers");

(iii) Names and other information about Employer's employees, including their experience, backgrounds, resumes, compensation, sales or performance records or any other information about them;

(iv) Any and all information and records relating to Employer's contracts, transactions, charges, prices, or sales to its Customers, including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information regarding transactions between Employer and any of its Customers;

(v) All information about the employees, agents or representatives of Customers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to Forbes's Business (each such individual being hereinafter referred to as a "Customer Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, duties, and all records of communications to, from or with any such Customer Representative;

(vi) Any and all information or records relating to Employer's contracts or transaction with, or prices or purchases from any person or entity from which Employer has purchased or otherwise acquired goods or services of any kind used in connection with Forbes's Business (each such person or entity being hereinafter referred to as a "Supplier"), including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information documents regarding amounts charged by or paid to suppliers for products or services;

(vii) All information about the employees, agents or representatives of Suppliers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to Forbes's Business (each such individual being hereinafter referred to as "Supplier Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, duties, and all records of communications to, from or with any such Supplier Representative;

(viii) Employer’s marketing, business and strategic growth plans, methods of operation, methods of doing business, cost and pricing data, and other compilations of information relating to the operations of Employer.

(c) Employee acknowledges that all notes, data, forms, reference and training materials, leads, memoranda, computer programs, computer print-outs, disks and the information contained in any computer, and any other records which contain, reflect or describe any Confidential Information and Trade Secrets, belong exclusively to Employer. Employee shall promptly return such materials and all copies thereof in Employee's possession to Employer upon termination of his employment, regardless of the reasons therefor (such date being hereinafter referred to as the “Termination Date”).

(d) During Employee's employment with Employer and thereafter, Employee will not copy, publish, convey, transfer, disclose or use, directly or indirectly, for Employee’s own benefit or for the benefit of any other person or entity (except Employer) any Confidential Information and Trade Secrets. Employee’s obligation shall continue in full force and effect until the later of the final day of any period of non-competition or eighteen (18) months after the termination of Employer’s employment. Employee will abide by all rules, guidelines, policies and procedures relating to Confidential Information and Trade Secrets implemented and/or amended from time to time by Employer.

Employee acknowledges that any actual or threatened breach of the covenants contained herein will cause Employer irreparable harm and that money damages would not provide an adequate remedy to Employer for any such breach. For these reasons, and because of the unique nature of the Confidential Information and Trade Secrets and the necessity to preserve such Confidential Information and Trade Secrets in order to protect Employer’s property rights in the event of a breach or threatened breach of any of the provisions herein, Employer, in addition to any other remedies available to it at law or in equity, shall be entitled to immediate injunctive relief against Employee to enforce the provisions of this Agreement and shall be entitled to recover from Employee its reasonable attorney’s fees and other expenses incurred in connection with such proceedings.

Notwithstanding anything herein to the contrary, or in any agreement or communication between Employer and Employee, (a) the confidentiality and nondisclosure obligations herein shall not prohibit or restrict Employee from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC, any other governmental agency, any self-regulatory organization or any other state or federal regulatory authority, regarding any possible securities law violations, and (b) Employer shall not enforce or threaten to enforce, any confidentiality agreement or other similar agreement, nor take or threaten to take any other action against Employee for engaging in the types of communications described in (a) above.

11. Noncompetition and Nonsolicitation.

(a) During the term of Employee’s employment, Employer agrees to provide, and to continue to provide Employee, on a daily, weekly, monthly and continual basis, access to, and the use of, its “Confidential Information and Trade Secrets” concerning Forbes’s Business, and Employer’s employees, Customers and Customer Representatives, Suppliers and Supplier

Representatives and Employer's transactional histories with all of them, as well as information about the logistics, details, revenues and expenses of Forbes's Business, in order to allow Employee to perform Employee's duties under this Agreement, and to develop or continue to solidify relationships with Customers, Customer Representatives, Suppliers and Supplier Representatives. Employee acknowledges that new and additional Confidential Information and Trade Secrets regarding each of these matters is developed by Employer as a part of its continuing operations, and Employer hereby agrees to provide Employee access to and use of all such new, additional and continuing Confidential Information and Trade Secrets, and Employee acknowledges that access to such new, additional and continuing Confidential Information and Trade Secrets is essential for Employee to be able to perform, and continue to perform, Employee's duties under this Agreement. In addition, Employer agrees to provide, and continue to provide, training, education, direction and development to Employee with respect to all of Employer's business methods, processes, procedures, software and information, including newly developed and newly discovered information, in order to ensure Employee can perform Employee's duties hereunder and participate in Forbes's business.

(b) In consideration of Employer's agreement to provide Employee with access to and use of its Confidential Information and Trade Secrets, including new, additional and continuing Confidential Information and Trade Secrets, and to provide training, Employee agrees to refrain from competing with Employer, or otherwise engaging in Restricted Activities within the Restricted Area, each as defined herein, during the Restricted Period.

(c) Restricted Period. Employee agrees that during the term of his employment with Employer, and thereafter until the later of (i) the end of the Initial Term or any then applicable Extension Period and (ii) one (1) year following termination of Employee's employment following a notice of non-renewal, regardless of the date or cause of such termination of employment (the "Restricted Period"), and regardless of whether the termination of employment occurs with or without cause, and regardless of who terminates such employment, Employee will not, directly or indirectly, engage in any of the Restricted Activities within the Restricted Area.

(d) Restricted Activities. Restricted Activities shall mean and include all of the following:

(i) directly or indirectly, owning, managing, operating, joining, controlling, being employed by, or participating in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as an employee, officer, director, agent, independent contractor, recruiter, consultant, partner, shareholder, investor, lender, underwriter or in any other individual or representative capacity in any person, entity or business that is engaged in Forbes's Business (a "Restricted Enterprise"). The restrictions of this section shall not be violated by (i) the ownership of no more than 5% of the outstanding securities of any company whose stock is publicly traded or (ii) following the termination of his employment with Employer, his employment by a certified public accounting firm or a commercial or investment bank that may have as a client or customer: (A) a Competitor to Employer or (B) any of the clients or customers of Employer with whom Employer did business during the term of Employee's employment, so long as Employee does not directly or indirectly serve, advise or consult in any way such Competitor to Employer or client or customer of Employer, respectively, during the Restricted Period.

(ii) Recruiting, hiring or attempting to recruit or hire, either directly or by assisting others, any other employee of Employer, or any of its customers or suppliers in connection with Forbes's Business. For purposes of this covenant, "any other employee" shall include employees, consultants, independent contractors or others who are still actively employed by, or doing business with, Employer, its Customers or Suppliers, at the time of the attempted recruiting or hiring, or were so employed or doing business at any time within six months prior to the date of such attempted recruiting or hiring;

(iii) Communicating, by any means, soliciting or offering to solicit the purchase, performance, sale, furnishing, or providing of any equipment, services, or product which constitute any part of Forbes's Business to, for or with any Customer, Customer Representative, Supplier or Supplier Representative; and

(iv) Using, disclosing, publishing, copying, distributing or communicating any Confidential Information and Trade Secrets to or for the use or benefit of Employee or any other person or entity other than Employer.

(e) Permitted Activities. Subject to Section 5(a) and Section 11, no provision of this Agreement shall prohibit (i) Employee's continued officer positions, board memberships and service with board committees and/or investments in the entities listed on Schedule 1 attached hereto (the "Scheduled Entities") provided that (A) the Employee's role or amount of time spent with respect to any of the Scheduled Entities does not expand or increase from that in effect on December 1, 2016 and (B) the nature and scope of the services and/or products provided by the Scheduled Entities does not change from that in effect on December 1, 2016 or (ii) such other activities as may be approved by the Board at any time after the Commencement Date (collectively, the "Permitted Activities").

(f) Restricted Area. The Restricted Area shall mean and include anywhere in the continental United States.

(g) Agreement Ancillary to Other Agreements. This covenant not to compete is ancillary to and part of other agreements between Employer and Employee, including, without limitation, Employer's agreement to disclose, and continue to disclose, its Confidential Information and Trade Secrets, and its agreement to provide, and continue to provide, training, education and development to Employee.

(h) Independent Agreements. The parties hereto agree that the foregoing restrictive covenants set forth herein are essential elements of this Agreement, and that, but for the agreement of Employee to comply with such covenants, Employer would not have agreed to enter into this Agreement. Such covenants by Employee shall be construed as agreements independent of any other provision in this Agreement. The existence of any claim or cause of action of Employee against Employer, whether predicated on this Agreement, or otherwise, shall not constitute a defense to the enforcement by Employer of such covenants.

(i) Equitable Reformation. The parties hereto agree that if any portion of the covenants set forth herein are held to be illegal, invalid, unreasonable, arbitrary or against public policy, then such portion of such covenants shall be considered divisible both as to time and geographical area. Employer and Employee agree that, if any court of competent jurisdiction determines the specified time period or the specified geographical area applicable herein to be illegal, invalid, unreasonable, arbitrary or against public policy, a lesser time period or geographical area which is determined to be reasonable, non-arbitrary and not illegal or against public policy may be enforced against Employee. Employer and Employee agree that the foregoing covenants are appropriate and reasonable when considered in light of the nature and extent of the business conducted by Employer and the Confidential Information and Trade Secrets and training provided by Employer to Employee.

12. Injunctive Relief. Employee agrees that damages at law will be an insufficient remedy to Employer if Employee violates or attempts or threatens to violate the terms of Sections 9, 10 or 11 of this Agreement and that Employer would suffer irreparable damage as a result of such violation or attempted or threatened violation. Accordingly, it is agreed that Employer shall be entitled, upon application to a court of competent jurisdiction, to obtain injunctive relief to enforce the provisions of such Sections, which injunctive relief shall be in addition to any other rights or remedies available to Employer, at law or in equity. In the event either party commences legal action relating to the enforcement of the terms of Sections 9, 10 or 11 of this Agreement, the prevailing party in such action shall be entitled to recover from the other party all of the costs and expenses in connection therewith, including reasonable fees and disbursements of counsel (both at trial and in appellate proceedings).

13. Compliance with Other Agreements. Employee represents and warrants that the execution of this Agreement by him and his performance of his obligations hereunder will not conflict with, result in the breach of any provision of or the termination of or constitute a default under any agreement to which Employee is a party or by which Employee is or may be bound.

14. Waiver of Breach. The waiver by Employer of a breach of any of the provisions of this Agreement by Employee shall not be construed as a waiver of any subsequent breach by Employee.

15. Binding Effect; Assignment.

(a) Employer is a subsidiary of Forbes Energy Services Ltd. (the Parent), and Forbes's Business, as defined in Section 10, is carried on by, and the Confidential Information and Trade Secrets as defined in Section 10 has been, and will continue to be, developed by Employer, Parent and each of Parent's or Employer's subsidiaries and affiliates, all of which shall be included within the meaning of the word "Employer" as that term is used in Sections 9, 10, 11 and 12 of this Agreement. This Agreement shall inure to the benefit of, and be enforceable by, Employer, Parent, and each of the subsidiaries and affiliates included within the definition of the word "Employer" as used in Sections 9, 10, 11 and 12.

(b) The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Employer. This Agreement is a personal employment contract and the rights, obligations and interests of Employee hereunder may not be sold, assigned, transferred, pledged or hypothecated.

16. Indemnification. Employee shall be entitled throughout the term of this Agreement and thereafter to indemnification by Parent and Employer in respect of any actions or omissions as an employee, officer or director of Parent, Employer (or any successor thereof) to the fullest extent permitted by law. The parties acknowledge that Employee is also entitled to the benefits of a separate Indemnification Agreement between Employee and Parent and that this section shall be read as complimentary with and not in conflict with or substitution for such Indemnification Agreement. Parent and Employer also agree to obtain directors and officers (D&O) insurance in a reasonable amount determined by the Board and to maintain such insurance during the term of this Agreement (as such Agreement may be extended from time to time) and for a period of twelve (12) months following the termination of this Agreement, as so extended.

17. Entire Agreement. This Agreement (including Appendix "A" and Appendix "B", as either may be amended from time to time) contains the entire agreement and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof, including without limitation the Existing Employment Agreement. This Agreement may be changed only by an agreement in writing signed by the party against whom any waiver, change, amendment, modification or discharge is sought.

18. Construction and Interpretation.

(a) The Board shall have the sole and absolute discretion to construe and interpret the terms of this Agreement, unless another individual or entity is charged with such responsibility.

(b) This Agreement shall be construed pursuant to and governed by the laws of the State of Texas (but any provision of Texas law shall not apply if the application of such provision would result in the application of the law of a state or jurisdiction other than Texas).

(c) The headings of the various sections in this Agreement are inserted for convenience of the parties and shall not affect the meaning, construction or interpretation of this Agreement.

(d) Consistent with Section 11(i), the following sentences of this Section 18(d) shall apply. Any provision of this Agreement that is determined by a court of competent jurisdiction to be prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. In any such case, such determination shall not affect any other provision of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect. If any provision or term of this Agreement is susceptible to two or more constructions or interpretations, one or more of which would render the provision or term void or unenforceable, the parties agree that a construction or interpretation that renders the term or provision valid shall be favored.

(e) This Agreement shall be construed to the extent necessary to comply with the provisions of Section 409A of the Code and any Treasury Regulations and other guidance issued thereunder

19. Notice. All notices that are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy or similar electronic transmission method; one working day after it is sent, if sent by recognized expedited delivery service; and five days after it is sent, if mailed, first class mail, certified mail, return receipt requested, with postage prepaid. In each case notice shall be sent to:

To Employer: Forbes Energy Services LLC
Attention: John E. Crisp, President and Chief Executive Officer
3000 South Business Highway 281
Alice, Texas 78332
Fax: (713) 481-8344

To Employee: Charles C. Forbes, Jr.

20. Venue; Process. The parties agree that all obligations payable and performable under this Agreement are payable and performable at the offices of Employer in Alice, Jim Wells County, Texas. The parties to this Agreement agree that jurisdiction and venue in any action brought pursuant to this Agreement to enforce its terms or otherwise with respect to the relationships between the parties shall properly lie in the Judicial District Court for Jim Wells County or in the United States District Court for the Southern District of Texas, Corpus Christi Division, Corpus Christi Office.

21. Six-Month Delay. Notwithstanding any provision of this Agreement to the contrary, if, at the time of Employee's termination of employment with Employer, he is a "specified employee" as defined in Section 409A of the Code, and one or more of the payments or benefits received or to be received by Employee pursuant to this Agreement would constitute deferred compensation subject to Section 409A of the Code, no such payment or benefit will be provided under this Agreement until the earlier of (a) the date that is six (6) months following Employee's termination of employment with Employer, or (b) the Employee's death. The provisions of this Section 21 shall only apply to the extent required to avoid Employee's incurrence of any penalty tax or interest under Section 409A of the Code or any Treasury Regulations and other guidance issued thereunder

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

EMPLOYER:

FORBES ENERGY SERVICES LLC

By:____
John E. Crisp
President and Chief Executive Officer

EMPLOYEE:

____
Charles C. Forbes, Jr.

ACKNOWLEDGED AND AGREED TO FOR PURPOSES OF GUARANTEEING THE FINANCIAL OBLIGATIONS OF EMPLOYER TO EMPLOYEE:

FORBES ENERGY SERVICES LTD.

By:___________________________________
John E. Crisp
President and Chief Executive Officer

APPENDIX A

[TBD]

APPENDIX B

[TBD]

APPENDIX C

YOU SHOULD CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS RELEASE OF CLAIMS.

RELEASE

1. In consideration of the payments and benefits to be made under the Employment Agreement, dated as of ______________________________, 2017 (the "Employment Agreement"), by and between Charles C. Forbes, Jr. (the "Employee") and Forbes Energy Services LLC (the "Employer") (each of the Employee and the Employer, a "Party" and collectively, the "Parties"), the sufficiency of which the Employee acknowledges, the Employee, with the intention of binding the Employee and the Employee's heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Employer and each of its subsidiaries and affiliates (the "Employer Affiliated Group"), their present and former officers, directors, Employees, shareholders, agents, attorneys, employees and employee benefit plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Employer Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Employee, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, arising on or prior to the date hereof, against any Employer Released Party that arises out of, or relates to, the Employment Agreement, the Employee's employment with the Employer or any of its subsidiaries and affiliates, or any termination of such employment, including claims (i) for severance or vacation benefits, unpaid wages, salary or incentive payments, (ii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iii) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (iv) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, and including, without limitation, any claim under Title VII of the Civil Rights Act of 1964 ("Title VII"), the Civil Rights Act of 1988, the Fair Labor Standards Act, the Americans with Disabilities Act ("ADA"), the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Age Discrimination in Employment Act ("ADEA"), and any similar or analogous state statute, excepting only:

A. rights and entitlements Employee may have under the Employment Agreement, including any payments that are due to be made subject to execution and delivery of this Release;

B. rights Employee may have under the Company's Management Incentive Plan and any awards granted to Employee thereunder;

C. claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Employer Affiliated Group; and

D. rights to indemnification the Employee has or may have under the by-laws or certificate of incorporation of any member of the Employer Affiliated Group or as an insured under any director's and officer's liability insurance policy now or previously in force;

2. The Employee acknowledges and agrees that this Release is not to be construed in any way as an admission of any liability whatsoever by any Employer Released Party, any such liability being expressly denied.

3. This Release applies to any relief no matter how called, including, without limitation, wages, back pay, front pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorneys' fees and expenses.

4. The Employee specifically acknowledges that the Employee's acceptance of the terms of this Release is, among other things, a specific waiver of the Employee's rights, claims and causes of action under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything contained herein purport, to be a waiver of any right or claim or cause of action which by law the Employee is not permitted to waive.

5. The Employee acknowledges that the Employee has been given a period of forty-five (45) days to consider whether to execute this Release. If the Employee accepts the terms hereof and executes this Release, the Employee may thereafter, for a period of seven (7) days following (and not including) the date of execution, revoke this Release. If no such revocation occurs, this Release shall become irrevocable in its entirety, and binding and enforceable against the Employee, on the day next following the day on which the foregoing seven-day period has elapsed. If such a revocation occurs, the Employee shall irrevocably forfeit any right to payment of the Severance Benefits (as defined in the Employment Agreement), but the remainder of the Employment Agreement shall continue in full force.

6. The Employee acknowledges and agrees that the Employee has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any complaints, charges or lawsuits against any Employer Released Party with any governmental agency, court or tribunal.

7. The Employee acknowledges that the Employee has been advised to seek, and has had the opportunity to seek, the advice and assistance of an attorney with regard to this Release, and has been given a sufficient period within which to consider this Release.

8. The Employee acknowledges that this Release relates only to claims that exist as of the date of this Release.

9. The Employee acknowledges that the Severance Benefits the Employee is receiving in connection with this Release and the Employee's obligations under this Release are in addition to anything of value to which the Employee is entitled from the Employer.

10. Each provision hereof is severable from this Release, and if one or more provisions hereof are declared invalid, the remaining provisions shall nevertheless remain in full

force and effect. If any provision of this Release is so broad, in scope, or duration or otherwise, as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

11. This Release constitutes the complete agreement of the Parties in respect of the subject matter hereof and shall supersede all prior agreements between the Parties in respect of the subject matter hereof except to the extent set forth herein. For the avoidance of doubt, however, nothing in this Release shall constitute a waiver of any Employer Released Party's right to enforce any obligations of the Employee under the Employment Agreement that survive the Employment Agreement's termination, including without limitation, any non-competition covenant, non-solicitation covenant or any other restrictive covenants contained therein.

12. The failure to enforce at any time any of the provisions of this Release or to require at any time performance by another party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect the validity of this Release, or any part hereof, or the right of any party thereafter to enforce each and every such provision in accordance with the terms of this Release.

13. Notwithstanding anything to the contrary herein, this Release shall be void *ab initio* if Employer fails to provide the Severance Benefits (as defined in the Employment Agreement) to Employee.

14. This Release may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures delivered by facsimile shall be deemed effective for all purposes.

15. This Release shall be binding upon any and all successors and assigns of the Employee and the Employer.

16. Except for issues or matters as to which federal law is applicable, this Release shall be governed by and construed and enforced in accordance with the laws of the State of Texas without giving effect to the conflicts of law principles thereof.

[signature page follows]

IN WITNESS WHEREOF, this Release has been signed of ________________, 20__.

____
Charles C. Forbes, Jr.

SCHEDULE 1
PERMITTED ACTIVITIES

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AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of the ____________________________, 2017, but is effective as of the Commencement Date (as hereinafter defined), by and between Forbes Energy Services LLC, a Delaware limited liability company (the "Employer"), and L. Melvin Cooper, residing at (the "Employee").

WITNESSETH:

WHEREAS, Employee is presently employed with Employer pursuant to that certain Employment Agreement entered into as of May 1, 2008 (the "Original Agreement"), as amended by that certain First Amendment to Employment Agreement effective as of July 30, 2015 (the "Amendment" and together with the Original Agreement, the "Existing Employment Agreement");

WHEREAS, Employer and Employee desire to amend and restate the Existing Employment Agreement in order to make certain changes thereto; and

WHEREAS, Employer and Employee agree that this Agreement shall amend and restate the Existing Employment Agreement in its entirety, commencing on the Commencement Date, and that the Existing Employment Agreement shall terminate in its entirety.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Employment. Employer has employed and hereby continues to employ Employee, and Employee hereby accepts such continued employment, upon the terms and subject to the conditions set forth in this Agreement. Employee shall be employed by Employer but may serve (and if requested by Employer shall serve) as an officer and/or director of its parent, Forbes Energy Services Ltd. ("Parent"), or any subsidiary or affiliate of Employer or Parent.

2. Term. The term of employment under this Agreement shall commence on ____________________________, 2017 (the "Commencement Date") and shall continue for four (4) years thereafter (such four year period, the "Initial Term"); *provided, however*, that, unless terminated as contemplated herein, beginning on the first day after the Initial Term and on every anniversary of such date thereafter (each a "Renewal Date"), the then-existing term of this Agreement shall automatically be extended one additional year unless either party gives the other written notice of termination between one hundred eighty (180) and two hundred forty (240) days prior to any such Renewal Date. For the avoidance of doubt, notice of termination of this Agreement given any time other than between the one hundred eighty (180) and two hundred forty (240) days prior to a Renewal Date shall be void and ineffective. Written notice by Employer shall be solely pursuant to a duly adopted resolution of Employer's or Parent's board of directors. Following the date of termination of employment, Employee shall have no further rights, including but not limited to rights under Section 8, or obligations hereunder, except obligations set forth in Sections 10 and 11.

3. Compensation and Benefits.

(a) Employer shall pay to Employee as compensation for all services rendered by Employee a basic annualized salary of $425,000.00 per year during the Initial Term, or such other sums as the parties may agree on from time to time, payable semi-monthly or in other more frequent installments, as determined by the Board (as hereinafter defined). The board of directors of Parent or, if the same is established, the compensation committee of the board of directors of Parent (the "Compensation Committee"), by providing direction through the board of directors of Employer (collectively, the board of directors of Parent, the Compensation Committee and the board of directors of Employer are referred to as the "Board") shall have the right to increase Employee's compensation from time to time and Employee shall be entitled to an annual review thereof or more frequently as determined by the Board. In addition, the Board, in its discretion, may, with respect to any year during the term hereof, award a bonus or bonuses to Employee; *provided, however,* Employer shall annually provide Employee with a bonus based on the terms to be determined by the Compensation Committee or the Board. Such terms shall be more particularly described in Appendix "A" to be attached hereto. Appendix "A" may be modified, supplemented, or replaced from time to time as determined by the Compensation Committee and established by written agreement between Employer and Employee for the purpose of defining the then current bonus calculation methodologies from the applicable year(s). The compensation provided for in this Section 3(a) shall be in addition to any pension or profit sharing payments set aside or allocated for the benefit of Employee in either a tax qualified plan or otherwise.

It is the intention of the parties that an Appendix "B" will be approved by the Board and signed by the Chairman of the Compensation Committee or a non-management representative of the Board and the Employee no later than June 30 of each calendar year (or portion thereof) covered by this Agreement, as amended. In the absence of an approval by the Compensation Committee or the Board of such an Appendix "B" for any year (or portion thereof), the Appendix "B" for the prior year will remain in full force and effect.

(b) Employer shall reimburse Employee for all reasonable expenses incurred by Employee in the performance of his duties under this Agreement, in accordance with the Employer's expense reimbursement policy; *provided, however*, that Employee must furnish to Employer an itemized account, in form satisfactory to Employer, in substantiation of such expenditures.

(c) Employee shall be entitled to such fringe benefits including, but not limited to, medical and family insurance benefits as may be provided from time to time by Employer to other senior officers of Employer and on an economic basis consistent with past practices and policies of Employer; *provided, however,* that any health insurance shall not provide for a preexisting condition limitation, and, *provided further*, that during the term of this Agreement, the aggregate annual cost for such fringe benefits shall not exceed $36,000.

(d) To the extent permitted by applicable law and terms of the benefit plans, Employer shall include in Employee's credited service, in any case where credited service is relevant in determining eligibility for or benefits under any employee benefits plan, the

Employee's service for any parent, subsidiary or affiliate of Employer or for any predecessor thereof and time served at prior employers.

(e) Employer shall provide Employee with a vehicle or auto allowance during the term of the Agreement as approved by the President and Chief Executive Officer. Employer will also pay for auto insurance, maintenance and fuel, unless such auto allowance is set to cover insurance and maintenance. Employee may use the automobile for personal use and will pay all taxes related to such personal use.

(f) The amount of expenses eligible for reimbursement or in-kind benefits provided during a calendar year may not affect the expenses eligible for reimbursement to be provided in any other calendar year. Reimbursement of eligible expenses will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred and the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(g)

(i) Employee shall be eligible to participate in such incentive compensation and stock option plans that have been approved or may in the future be approved by the shareholders of Parent or Employer and administered by the Board.

(ii) Employee and Employer agree that in connection with the Reorganization (as hereinafter defined), Parent shall establish a customary management incentive plan (the "MIP") under which shares of new common stock of Parent equal to twelve and one-half of one percent (12.5%) times the sum of (a) the number of shares of new common stock of Parent issued to holders of Parent's 9% senior notes as of the effective date of the Reorganization and (b) the number of shares of new common stock issuable under the MIP will be reserved for grants made from time to time to the officers and other key employees of Employer or Parent, including Employee (the "MIP Aggregate Equity"). Employer and Employee agree that the MIP shall provide for grants of eight and one half of one percent (8.5%) of the MIP Aggregate Equity on the effective date of the Reorganization, the distribution (including the distribution to the Employee) of which shall be determined by the Chairman of the Board in consultation with the Board, subject to the following: (i) one percent (1%) of the MIP Aggregate Equity will vest upon the achievement of certain performance metrics based on the business plan of Employer approved by the Board, (ii) seven and two-tenths of one percent (7.2%) of the MIP Aggregate Equity shall vest as follows: one-fifth ($1/5^{th}$) shall vest on the effective date of the Reorganization and one-fifth ($1/5^{th}$) shall vest on each one year anniversary through the fourth anniversary of the effective date of the Reorganization, and (iii) if Exit Financing Termination Date (as defined in the MIP) does not occur within eighteen (18) months following the Commencement Date, an additional number of shares shall be allocated (the "Exit Financing Awards"), such number determined by multiplying the product of three-tenths of one percent (0.3%) of the MIP Aggregate Equity times a fraction, (A) the numerator of which is the number of days between (x) eighteen (18) months after the Commencement Date and (y) the Exit Financing Termination Date, and (B) the denominator of which is the number of days between (x) eighteen (18) months after the

Commencement Date and (y) the stated maturity date of the Exit Financing. The Exit Facility Awards, if any, shall be allocated ratably on the same basis as the seven and two-tenths of one percent (7.2%) of the MIP Aggregate Equity and shall vest as follows: (i) two-fifths (2/5ths) shall vest on the first day following the date that is eighteen (18) months after the Commencement Date and (ii) one-fifth (1/5th) shall vest on each of the second, third and fourth anniversaries of the Commencement Date. The remaining pool of four percent (4%) of the MIP Aggregate Equity under the MIP shall be reserved for distribution as determined by the Board in consultation with the Chairman of the Board or, in the event of a Change in Control, shall be granted and allocated as set forth in the MIP.

4. Duties. Employee is engaged and shall serve as Senior Vice President, Chief Financial Officer and Assistant Secretary of (i) Parent, (ii) Employer and (iii) any other direct or indirect subsidiaries of Parent that may be formed or acquired. In addition, Employee shall have such other duties and hold such other offices as may from time to time be reasonably assigned to him by the Board. These services shall be provided from offices located in Alice, Texas or such other location as may be mutually agreed.

5. Extent of Services; Vacations and Days Off.

(a) During the term of his employment under this Agreement, Employee shall devote substantially his full business time, energy and attention to the benefit and business of Employer as may be necessary in performing his duties pursuant to this Agreement, subject to the following sentence. Employee shall not provide services of a business nature to any other person except that the Employee may engage in the Permitted Activities (as defined in Section 11(e)) provided that such activities do not significantly interfere with the Employee's performance of his duties hereunder. In order to maximize Employee's efficiency and effectiveness for Employer, Employee may utilize the services of his executive assistant to assist Employee with de minimis personal matters.

(b) Employee shall be entitled to vacations and holidays with pay and to such personal and sick leave with pay in accordance with the policy of Employer as may be established from time to time by Employer and applied to other senior officers of Employer; *provided, however*, that Employee shall annually be entitled to the maximum number of vacation days and holidays afforded to any other officer of Employer or Parent.

6. Facilities. Employer shall provide Employee with a fully furnished office of no less stature, type, and size than was provided as of the Commencement Date, and the facilities of Employer shall be generally available to Employee in the performance of his duties pursuant to this Agreement; it being understood and contemplated by the parties that all equipment, supplies and office personnel required for Employee's performance of duties under this Agreement shall be supplied by Employer.

7. Illness or Incapacity, Termination on Death.

(a) If during the term of his employment Employee becomes permanently disabled, as defined below, or dies, Employer shall pay to the Employee or his estate compensation through the date of death or determination of permanent disability, including salary, any prior year bonus compensation earned but not yet paid and the pro-rated portion of any current year bonus as and when determined in the ordinary course of the calculation of current year bonus due to other executive officers of Employer. Employer shall continue to provide medical insurance and other benefits to which Employee's dependents would otherwise have been entitled for one year following the date of death or determination of permanent disability. Effective upon the date of death or determination of permanent disability, any and all options, rights or awards granted in conjunction with Parent's or Employer's incentive compensation and stock option plans shall immediately vest. Except for the benefits set forth in the preceding sentences and any life insurance benefits included in the benefit package provided at such time by Employer to Employee, Employer shall have no additional financial obligation under this Agreement to Employee or his estate. After receiving the payments and health insurance benefits provided in this subparagraph (a), Employee and his estate shall have no further rights under this Agreement.

(b)

(i) During any period of disability, illness or incapacity during the term of this Agreement that renders Employee at least temporarily unable to perform the services required under this Agreement for a period that shall not equal or exceed ninety (90) continuous days (provided that a return to full work status of less than five full days shall be deemed not to interrupt the calculation of such 90 days), Employee shall receive the compensation payable under Section 3(a) of this Agreement plus any bonus compensation earned through the last day of such ninety (90) day period but not yet paid, less any benefits received by him under any disability insurance carried by or provided by Employer. All rights of Employee under this Agreement (other than rights already accrued) shall terminate as provided below upon Employee's permanent disability (as defined below), although Employee shall continue to receive any disability benefits to which he may be entitled under any disability income insurance that may be carried by or provided by Employer from time to time; Employer hereby agrees to provide such insurance on a same occupation basis.

(ii) The terms “permanently disabled” and “permanent disability” as used in this Agreement shall mean that Employee is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under any long term disability plan maintained by Employer that covers Employee. In the absence of such a long term disability plan, “permanently disabled” and “permanent disability” shall mean that Employee is unable to engage in any substantial gainful activity for a period of at least ninety (90) days in any one-year period by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months. In the event Employee becomes “permanently disabled,” the Board may terminate Employee’s employment under this Agreement upon ten (10) days’ prior written notice. If any determination with respect to “permanent disability” is disputed by Employee, the parties hereto agree to abide by the determination with respect to “permanent disability” of a panel of three physicians. Employee and the Board shall each appoint one member, and the third member of the panel shall be appointed by the other two members. Employee agrees to make himself available for and submit to examinations by such physicians as may be directed by the Board. Failure to submit to any such examination shall constitute a breach of a material part of this Agreement.

8. Other Terminations.

(a)

(i) Employee may terminate his employment hereunder for any reason whatsoever upon giving at least thirty (30) days' prior written notice. In addition, Employee shall have the right to terminate his employment hereunder (a) at any time for "good reason" or (b) on the conditions provided for in Sections 8(d)(i)(1), 8(d)(i)(2) or 8(d)(i)(3) of this Agreement following a Change in Control. As used herein, "good reason" means the occurrence of any of the following: (1) the relocation of Employee's office to a location outside the State of Texas, (2) Employee no longer holds the principal executive office held by Employee on the Commencement Date, or (3) a change in reporting structure of Employer or Parent where Employee is required to report to someone holding a title or position different than the title or position of the person (or the Board in the case of the President and Chief Executive Officer) that Employee was required to report to on the Commencement Date.

(ii) If Employee gives notice pursuant to the first sentence of Section 8(a)(i) but not based on the second sentence of Section 8(a)(i) above, Employer shall have the right to relieve Employee, in whole or in part, of his duties under this Agreement (without reduction in compensation through the termination date).

(iii) If Employee terminates his employment hereunder pursuant to clause (a) of the second sentence of Section 8(a)(i) above, then (a) any and all options, rights or awards granted in conjunction with Parent's or Employer's incentive compensation and stock option plans (other than awards subject to performance criteria ("Performance Awards")) shall immediately vest and a "pro rata portion" of each Performance Award shall remain outstanding until the end of the applicable performance period (or, if earlier, until the occurrence of a Change in Control) and shall vest or not based on the actual performance for the performance period or, if applicable, upon the Change in Control as provided in Section 8(d)(i), and (b) Employee shall continue to receive the salary, bonus and other compensation and benefits specified in Section 3 for the remainder of the Initial Term or any then applicable Extension Period, in each case in the amount and kind and at the time provided for in Section 3 (provided, however, that if such benefits are not available under Employer's benefit plans or applicable law, Employer shall be responsible for the cost of providing equivalent benefits); *provided that*, bonuses for each calendar year until the termination of this Agreement shall be paid based on the greater of (x) the amount equal to the total bonus paid for the last completed year for which bonuses have been paid or (y) the amount equal to the bonuses that would have been payable for the then current year (or, in the case of a date of termination of employment that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year), determined on a basis consistent with the last completed year for which bonuses have been paid but using the projected bonus amounts for the then current year (or, in the case of a date of termination of this Agreement that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year) determined by extrapolating the information as of the date of termination of this Agreement based on the best information available at the time of the calculation; *provided further that*, notwithstanding the termination of this Agreement, Employee's covenants set forth in Sections 10 and 11 shall remain in full force and effect. If Employee shall violate any of the provisions of Sections 10 or 11 at any time prior to the termination of this Agreement, then, in addition to its other rights and remedies, Employer shall have the right to terminate all further payments of compensation or benefits to Employee, and shall have no further obligation therefor.

For purposes of this Agreement, the "pro rata portion" of a Performance Award shall be the amount calculated by multiplying the full amount determined based on the Employer's achievement of the performance criteria for the full performance period specified in the applicable award agreement between Employer and Employee by a fraction, the numerator of which is the number of days of the performance period through Employee's termination of employment and the denominator of which is the number of days of the performance period.

For purposes of this Agreement, the term "Extension Period" shall mean the period from a Renewal Date to the day immediately preceding the first anniversary of such Renewal Date.

(b)

(i) Except as otherwise provided in this Agreement, Employer may terminate the employment of Employee hereunder only for "good cause" (as defined below) and upon written notice.

(ii) As used herein, "good cause" shall mean:

(1) Employee's conviction of either a felony involving moral turpitude or any crime in connection with his employment by Employer that causes Employer a substantial detriment, but specifically shall not include traffic offenses;

(2) actions or inactions by Employee that clearly are contrary to the best interests of Employer;

(3) Employee's willful failure to take actions permitted by law and necessary to implement policies of the Board that the Board has communicated to him in writing, provided that such policies that are reflected in minutes of a Board meeting attended in its entirety by Employee shall be deemed communicated to Employee;

(4) Employee's continued failure to devote substantially his full business time, energy and attention to his duties as an executive officer of Employer or its affiliates as contemplated in Section 5(a) above, following written notice from the Board to Employee of such failure; or

(5) any condition that either resulted from Employee's current substantial dependence on alcohol, or any narcotic drug or other controlled or illegal substance. If any determination of substantial dependence is disputed by Employee, the parties hereto agree to abide by the decision of a panel of three physicians appointed in the manner specified in Section 7(b)(ii) of this Agreement.

(6) With respect to (ii) through (v) above, such circumstances shall not constitute "good cause" unless Employee has failed to cure such circumstances within ten (10) business days following written notice thereof from the Board identifying in reasonable detail the manner in which the Employer believes that Employee has not performed such duties and indicating the steps Employer requires to cure such circumstances.

(iii) Termination of the employment of Employee for reasons other than those expressly specified in this Agreement as good cause shall be deemed to be a termination of employment "without good cause."

(c)

(i) If Employer shall terminate the employment of Employee without good cause effective on a date earlier than the end of the Initial Term or any then applicable Extension Period, Employee shall continue to receive the salary, bonus and other compensation and benefits specified in Section 3 for the remainder of the Initial Term or any then applicable Extension Period, in each case in the amount and kind and at the time provided for in Section 3 (provided, however, that if such benefits are not available under Employer's benefit plans or applicable law, Employer shall be responsible for the cost of providing equivalent benefits); *provided that*, bonuses for each calendar year until the termination of employment shall be paid based on the greater of (x) the amount equal to the total bonus paid for the last completed year for which bonuses have been paid or (y) the amount equal to the bonuses that would have been payable for the then current year (or, in the case of a date of termination of employment that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year), determined on a basis consistent with the last completed year for which bonuses have been paid but using the projected bonus amounts for the then current year (or, in the case of a date of termination of employment that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year) determined by extrapolating the information as of the date of termination of employment based on the best information available at the time of the calculation; *provided further that*, notwithstanding such termination of employment, Employee's covenants set forth in Sections 10 and 11 shall remain in full force and effect. If Employee shall violate any of the provisions of Sections 10 or 11 at any time prior to the expiration of the Initial Term or the applicable Extension Period, then, in addition to its other rights and remedies, Employer shall have the right to terminate all further payments of compensation or benefits to Employee, and shall have no further obligation therefor.

(ii) If Employer shall terminate the employment of Employee without good cause effective on a date earlier than the end of the Initial Term or any then applicable

Extension Period, any and all options, rights or awards granted in conjunction with Parent's or Employer's incentive compensation and stock option plans (other than Performance Awards) shall immediately vest and a "pro rata portion" of each Performance Award shall remain outstanding until the end of the applicable performance period (or, if earlier, until the occurrence of a Change in Control) and shall vest or not based on the actual performance for the performance period or, if applicable, upon the Change in Control as provided in Section 8(d)(i).

(iii) The parties agree that, because there can be no exact measure of the damages that would occur to Employee as a result of a termination by Employer of Employee's employment without good cause, the payments and benefits paid and provided pursuant to Section 8 shall be deemed to constitute liquidated damages and not a penalty for Employer's termination of Employee's employment without good cause, and Employer agrees that Employee shall not be required to mitigate his damages.

(d)

(i) If a Change in Control (as defined in the MIP as in effect on the Commencement Date) of Parent shall occur, then any and all options, rights or awards (including restricted stock awards and restricted stock unit awards) granted to Employee in conjunction with the Parent's or Employer's incentive compensation or equity incentive compensation plans shall be deemed to have vested immediately prior to such Change in Control; *provided that*, with respect to the immediate vesting of any and all Performance Awards, such awards shall immediately vest if and to the extent determined by the Board at the time of grant and set forth in the applicable award agreement between Employee and Employer. Further, if a Change in Control of Parent shall occur, and

(1) Employee shall voluntarily terminate his employment following such Change in Control in the event that the Employer:

(A) has after the Change in Control reduced Employee's annual base salary or potential bonus level or any incentive compensation or equity incentive compensation plan benefit (as in effect immediately before such Change in Control);

(B) has relocated Employee's office to a location that is more than 10 miles from the location in which Employee principally works for Employer or Parent immediately before such Change in Control;

(C) has relocated the principal executive office of Parent, Employer or the office of Employer's operating group for which Employee performed the majority of his services for Employer during the year before the Change in Control to a location that is more than 10 miles from the location of such office immediately before such Change in Control;

(D) has required Employee, in order to perform duties of substantially equal status to those duties Employee performed immediately before the Change in Control, to travel on Employer's business to a substantially greater extent than is consistent with Employee's travel obligations immediately before such Change in Control;

(E) has failed to continue to provide Employee with benefits substantially equivalent to those enjoyed by Employee under any of Employer's life insurance, medical, health and accident or disability plans and incentive compensation or equity incentive compensation plans in which Employee was participating immediately before the Change in Control;

(F) has taken any action that would directly or indirectly materially reduce any of such benefits or deprive Employee of any material fringe benefit enjoyed by Employee immediately before the Change in Control;

(G) has failed to provide Employee with at least the number of paid vacation days to which Employee is entitled on the basis of years of service under Employer's normal vacation policy in effect immediately before the Change in Control giving credit for time served at Employer or Parent;

(2) Employee shall voluntarily terminate his employment following such Change in Control in the event that, as a result of the Change in Control and a change in circumstances thereafter significantly affecting his position other than those listed in Section 8(d)(i)(1) above, he no longer has the authorities, powers, functions or duties attached to his position as an executive officer of Employer, Parent or any of their affiliates;

(3) Employee shall voluntarily terminate his employment following such Change in Control, in the event that there has been a substantial diminution of his duties, responsibilities, status, title or position as an executive officer of Employer, Parent or any of their affiliates; or

(4) Employee shall have his employment terminated by Employer for reasons other than those specified in Section 8(b)(ii) following such Change in Control;

then in any of the above four cases, Employee shall be entitled to receive the salary, bonus and other compensation and benefits specified in Section 8(a)(iii) for the periods specified in such section.

(ii) Employee acknowledges and agrees that the reorganization of Parent (the "Reorganization") pursuant to which this Agreement is entered into shall not be deemed a Change in Control (or phrase having a similar import) for purposes of this Agreement, the Prior Agreement or any other agreement, plan or arrangement to which Employee is a party or in which Employee has any interest.

(e) If the employment of Employee is terminated for good cause under Section 8(b)(ii) of this Agreement, or if Employee voluntarily terminates his employment by written notice to Employer under Section 8(a) of this Agreement without reliance on Section 8(d), Employer shall pay to Employee any compensation earned but not paid to Employee prior to the effective date of such termination. Under such circumstances, such payment shall be in full and complete discharge of any and all liabilities or obligations of Employer to Employee hereunder, and Employee shall be entitled to no further benefits under this Agreement. Employee must, however, still comply with the obligations set forth in Sections 10 and 11 of this Agreement.

(f) Employer's obligations to provide the compensation and benefits (the "Severance Benefits") under Sections 8(a)(iii), 8(c) or 8(d), as applicable, shall be conditioned upon Employee having executed and delivered to Employer the release of claims substantially in the form attached hereto as Appendix C (the "Release") and the period (if any) during which the Release can be revoked having expired within the 45-day period following the Employee's date of termination; provided, that, if such 45-day period spans two (2) calendar years, no Severance Benefits shall be paid or commenced to be paid until the second year, with the first payment including any amount that would have been paid during such forty-five (45) day period but for this sentence being made promptly following such forty-five (45) day period. Employer and Employee agree that, should Employer fail to provide the Severance Benefits to Employee, the Release shall be void *ab initio*.

9. Inventions and Other Intellectual Property. Employee agrees that during the term of his employment by Employer, he will disclose to Employer (and no one else) all ideas, methods, plans, developments or improvements known by him which relate directly or indirectly to the business of Employer, whether acquired by Employee before or during his employment by Employer. Nothing in this Section 9 shall be construed as requiring any such communication where the idea, plan, method or development is lawfully protected from disclosure as a trade secret of a third party or by any other lawful prohibition against such communication.

10. Confidential Information and Trade Secrets.

(a) For purposes of this Agreement, the term "Forbes's Business" shall mean any business in which the Company or any of its subsidiaries are engaged, including, without limitation, the business of providing oilfield services relating to, among other things, fluid handling, well servicing and workovers, and tubing testing in the Restricted Area (as defined below). In this business, Employer generates a tremendous volume of Confidential Information and Trade Secrets which it hereby agrees to share with Employee, and which Employee will have access to and knowledge of through or as a result of Employee's employment with the Employer. "Confidential Information and Trade Secrets" includes any information, data or compilation of information or data developed, acquired or generated by Employer, or its employees (including information and materials conceived, originating, discovered, or developed in whole or in part by Employee at the request of or for the benefit of Employer or while employed by Employer), which is not generally known to persons who are not employees of Employer, and which Employer generally does not share other than with its employees, or with its customers and suppliers on an individual transactional basis. "Confidential Information and Trade Secrets" may be written, verbal or recorded by electronic, magnetic or other methods, whether or not expressly identified as "Confidential" by Employer.

(b) "Confidential Information and Trade Secrets" includes, but is not limited to, the following information and materials:

(i) Financial information, of any kind, pertaining to Employer, including, without limitation, information about the profit margins, profitability, income and expenses of Employer or any of its divisions or lines of business;

(ii) Names and all other information about, and all communications received from, sent to or exchanged between, Employer and any person or entity which has purchased, contracted, hired, chartered equipment, vessels, personnel or services, or otherwise entered into a transaction with Employer regarding Forbes's Business, or to which Employer has made a proposal with respect to Forbes's Business (such person or entity being hereinafter referred to as "Customer" or "Customers");

(iii) Names and other information about Employer's employees, including their experience, backgrounds, resumes, compensation, sales or performance records or any other information about them;

(iv) Any and all information and records relating to Employer's contracts, transactions, charges, prices, or sales to its Customers, including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information regarding transactions between Employer and any of its Customers;

(v) All information about the employees, agents or representatives of Customers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to Forbes's Business (each such individual being hereinafter referred to as a "Customer Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, duties, and all records of communications to, from or with any such Customer Representative;

(vi) Any and all information or records relating to Employer's contracts or transaction with, or prices or purchases from any person or entity from which Employer has purchased or otherwise acquired goods or services of any kind used in connection with Forbes's Business (each such person or entity being hereinafter referred to as a "Supplier"), including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information documents regarding amounts charged by or paid to suppliers for products or services;

(vii) All information about the employees, agents or representatives of Suppliers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to Forbes's Business (each such individual being hereinafter referred to as "Supplier Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, duties, and all records of communications to, from or with any such Supplier Representative;

(viii) Employer's marketing, business and strategic growth plans, methods of operation, methods of doing business, cost and pricing data, and other compilations of information relating to the operations of Employer.

(c) Employee acknowledges that all notes, data, forms, reference and training materials, leads, memoranda, computer programs, computer print-outs, disks and the information contained in any computer, and any other records which contain, reflect or describe any Confidential Information and Trade Secrets, belong exclusively to Employer. Employee shall promptly return such materials and all copies thereof in Employee's possession to Employer upon termination of his employment, regardless of the reasons therefor (such date being hereinafter referred to as the "Termination Date").

(d) During Employee's employment with Employer and thereafter, Employee will not copy, publish, convey, transfer, disclose or use, directly or indirectly, for Employee's own benefit or for the benefit of any other person or entity (except Employer) any Confidential Information and Trade Secrets. Employee's obligation shall continue in full force and effect until the later of the final day of any period of non-competition or eighteen (18) months after the termination of Employer's employment. Employee will abide by all rules, guidelines, policies and procedures relating to Confidential Information and Trade Secrets implemented and/or amended from time to time by Employer.

Employee acknowledges that any actual or threatened breach of the covenants contained herein will cause Employer irreparable harm and that money damages would not provide an adequate remedy to Employer for any such breach. For these reasons, and because of the unique nature of the Confidential Information and Trade Secrets and the necessity to preserve such Confidential Information and Trade Secrets in order to protect Employer's property rights in the event of a breach or threatened breach of any of the provisions herein, Employer, in addition to any other remedies available to it at law or in equity, shall be entitled to immediate injunctive relief against Employee to enforce the provisions of this Agreement and shall be entitled to recover from Employee its reasonable attorney's fees and other expenses incurred in connection with such proceedings.

Notwithstanding anything herein to the contrary, or in any agreement or communication between Employer and Employee, (a) the confidentiality and nondisclosure obligations herein shall not prohibit or restrict Employee from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC, any other governmental agency, any self-regulatory organization or any other state or federal regulatory authority, regarding any possible securities law violations, and (b) Employer shall not enforce or threaten to enforce, any confidentiality agreement or other similar agreement, nor take or threaten to take any other action against Employee for engaging in the types of communications described in (a) above.

11. Noncompetition and Nonsolicitation.

(a) During the term of Employee's employment, Employer agrees to provide, and to continue to provide Employee, on a daily, weekly, monthly and continual basis, access to, and the use of, its "Confidential Information and Trade Secrets" concerning Forbes's Business, and Employer's employees, Customers and Customer Representatives, Suppliers and Supplier

Representatives and Employer's transactional histories with all of them, as well as information about the logistics, details, revenues and expenses of Forbes's Business, in order to allow Employee to perform Employee's duties under this Agreement, and to develop or continue to solidify relationships with Customers, Customer Representatives, Suppliers and Supplier Representatives. Employee acknowledges that new and additional Confidential Information and Trade Secrets regarding each of these matters is developed by Employer as a part of its continuing operations, and Employer hereby agrees to provide Employee access to and use of all such new, additional and continuing Confidential Information and Trade Secrets, and Employee acknowledges that access to such new, additional and continuing Confidential Information and Trade Secrets is essential for Employee to be able to perform, and continue to perform, Employee's duties under this Agreement. In addition, Employer agrees to provide, and continue to provide, training, education, direction and development to Employee with respect to all of Employer's business methods, processes, procedures, software and information, including newly developed and newly discovered information, in order to ensure Employee can perform Employee's duties hereunder and participate in Forbes's business.

(b) In consideration of Employer's agreement to provide Employee with access to and use of its Confidential Information and Trade Secrets, including new, additional and continuing Confidential Information and Trade Secrets, and to provide training, Employee agrees to refrain from competing with Employer, or otherwise engaging in Restricted Activities within the Restricted Area, each as defined herein, during the Restricted Period.

(c) Restricted Period. Employee agrees that during the term of his employment with Employer, and thereafter until the later of (i) the end of the Initial Term or any then applicable Extension Period and (ii) one (1) year following termination of Employee's employment following a notice of non-renewal, regardless of the date or cause of such termination of employment (the "Restricted Period"), and regardless of whether the termination of employment occurs with or without cause, and regardless of who terminates such employment, Employee will not, directly or indirectly, engage in any of the Restricted Activities within the Restricted Area.

(d) Restricted Activities. Restricted Activities shall mean and include all of the following:

(i) directly or indirectly, owning, managing, operating, joining, controlling, being employed by, or participating in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as an employee, officer, director, agent, independent contractor, recruiter, consultant, partner, shareholder, investor, lender, underwriter or in any other individual or representative capacity in any person, entity or business that is engaged in Forbes's Business (a "Restricted Enterprise"). The restrictions of this section shall not be violated by (i) the ownership of no more than 5% of the outstanding securities of any company whose stock is publicly traded or (ii) following the termination of his employment with Employer, his employment by a certified public accounting firm or a commercial or investment bank that may have as a client or customer: (A) a Competitor to Employer or (B) any of the clients or customers of Employer with whom Employer did business during the term of Employee's employment, so long as Employee does not directly or indirectly serve, advise or consult in any way such Competitor to Employer or client or customer of Employer, respectively, during the Restricted Period.

(ii) Recruiting, hiring or attempting to recruit or hire, either directly or by assisting others, any other employee of Employer, or any of its customers or suppliers in connection with Forbes's Business. For purposes of this covenant, "any other employee" shall include employees, consultants, independent contractors or others who are still actively employed by, or doing business with, Employer, its Customers or Suppliers, at the time of the attempted recruiting or hiring, or were so employed or doing business at any time within six months prior to the date of such attempted recruiting or hiring;

(iii) Communicating, by any means, soliciting or offering to solicit the purchase, performance, sale, furnishing, or providing of any equipment, services, or product which constitute any part of Forbes's Business to, for or with any Customer, Customer Representative, Supplier or Supplier Representative; and

(iv) Using, disclosing, publishing, copying, distributing or communicating any Confidential Information and Trade Secrets to or for the use or benefit of Employee or any other person or entity other than Employer.

(e) Permitted Activities. Subject to Section 5(a) and Section 11, no provision of this Agreement shall prohibit (i) Employee's continued officer positions, board memberships and service with board committees and/or investments in the entities listed on Schedule 1 attached hereto (the "Scheduled Entities") provided that (A) the Employee's role or amount of time spent with respect to any of the Scheduled Entities does not expand or increase from that in effect on December 1, 2016 and (B) the nature and scope of the services and/or products provided by the Scheduled Entities does not change from that in effect on December 1, 2016 or (ii) such other activities as may be approved by the Board at any time after the Commencement Date (collectively, the "Permitted Activities").

(f) Restricted Area. The Restricted Area shall mean and include anywhere in the continental United States.

(g) Agreement Ancillary to Other Agreements. This covenant not to compete is ancillary to and part of other agreements between Employer and Employee, including, without limitation, Employer's agreement to disclose, and continue to disclose, its Confidential Information and Trade Secrets, and its agreement to provide, and continue to provide, training, education and development to Employee.

(h) Independent Agreements. The parties hereto agree that the foregoing restrictive covenants set forth herein are essential elements of this Agreement, and that, but for the agreement of Employee to comply with such covenants, Employer would not have agreed to enter into this Agreement. Such covenants by Employee shall be construed as agreements independent of any other provision in this Agreement. The existence of any claim or cause of action of Employee against Employer, whether predicated on this Agreement, or otherwise, shall not constitute a defense to the enforcement by Employer of such covenants.

(i) Equitable Reformation. The parties hereto agree that if any portion of the covenants set forth herein are held to be illegal, invalid, unreasonable, arbitrary or against public policy, then such portion of such covenants shall be considered divisible both as to time and geographical area. Employer and Employee agree that, if any court of competent jurisdiction determines the specified time period or the specified geographical area applicable herein to be illegal, invalid, unreasonable, arbitrary or against public policy, a lesser time period or geographical area which is determined to be reasonable, non-arbitrary and not illegal or against public policy may be enforced against Employee. Employer and Employee agree that the foregoing covenants are appropriate and reasonable when considered in light of the nature and extent of the business conducted by Employer and the Confidential Information and Trade Secrets and training provided by Employer to Employee.

12. Injunctive Relief. Employee agrees that damages at law will be an insufficient remedy to Employer if Employee violates or attempts or threatens to violate the terms of Sections 9, 10 or 11 of this Agreement and that Employer would suffer irreparable damage as a result of such violation or attempted or threatened violation. Accordingly, it is agreed that Employer shall be entitled, upon application to a court of competent jurisdiction, to obtain injunctive relief to enforce the provisions of such Sections, which injunctive relief shall be in addition to any other rights or remedies available to Employer, at law or in equity. In the event either party commences legal action relating to the enforcement of the terms of Sections 9, 10 or 11 of this Agreement, the prevailing party in such action shall be entitled to recover from the other party all of the costs and expenses in connection therewith, including reasonable fees and disbursements of counsel (both at trial and in appellate proceedings).

13. Compliance with Other Agreements. Employee represents and warrants that the execution of this Agreement by him and his performance of his obligations hereunder will not conflict with, result in the breach of any provision of or the termination of or constitute a default under any agreement to which Employee is a party or by which Employee is or may be bound.

14. Waiver of Breach. The waiver by Employer of a breach of any of the provisions of this Agreement by Employee shall not be construed as a waiver of any subsequent breach by Employee.

15. Binding Effect; Assignment.

(a) Employer is a subsidiary of Forbes Energy Services Ltd. (the Parent), and Forbes's Business, as defined in Section 10, is carried on by, and the Confidential Information and Trade Secrets as defined in Section 10 has been, and will continue to be, developed by Employer, Parent and each of Parent's or Employer's subsidiaries and affiliates, all of which shall be included within the meaning of the word "Employer" as that term is used in Sections 9, 10, 11 and 12 of this Agreement. This Agreement shall inure to the benefit of, and be enforceable by, Employer, Parent, and each of the subsidiaries and affiliates included within the definition of the word "Employer" as used in Sections 9, 10, 11 and 12.

(b) The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Employer. This Agreement is a personal employment contract and the rights, obligations and interests of Employee hereunder may not be sold, assigned, transferred, pledged or hypothecated.

16. Indemnification. Employee shall be entitled throughout the term of this Agreement and thereafter to indemnification by Parent and Employer in respect of any actions or omissions as an employee, officer or director of Parent, Employer (or any successor thereof) to the fullest extent permitted by law. The parties acknowledge that Employee is also entitled to the benefits of a separate Indemnification Agreement between Employee and Parent and that this section shall be read as complimentary with and not in conflict with or substitution for such Indemnification Agreement. Parent and Employer also agree to obtain directors and officers (D&O) insurance in a reasonable amount determined by the Board and to maintain such insurance during the term of this Agreement (as such Agreement may be extended from time to time) and for a period of twelve (12) months following the termination of this Agreement, as so extended.

17. Entire Agreement. This Agreement (including Appendix "A" and Appendix "B", as either may be amended from time to time) contains the entire agreement and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof, including without limitation the Existing Employment Agreement. This Agreement may be changed only by an agreement in writing signed by the party against whom any waiver, change, amendment, modification or discharge is sought.

18. Construction and Interpretation.

(a) The Board shall have the sole and absolute discretion to construe and interpret the terms of this Agreement, unless another individual or entity is charged with such responsibility.

(b) This Agreement shall be construed pursuant to and governed by the laws of the State of Texas (but any provision of Texas law shall not apply if the application of such provision would result in the application of the law of a state or jurisdiction other than Texas).

(c) The headings of the various sections in this Agreement are inserted for convenience of the parties and shall not affect the meaning, construction or interpretation of this Agreement.

(d) Consistent with Section 11(i), the following sentences of this Section 18(d) shall apply. Any provision of this Agreement that is determined by a court of competent jurisdiction to be prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. In any such case, such determination shall not affect any other provision of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect. If any provision or term of this Agreement is susceptible to two or more constructions or interpretations, one or more of which would render the provision or term void or unenforceable, the parties agree that a construction or interpretation that renders the term or provision valid shall be favored.

(e) This Agreement shall be construed to the extent necessary to comply with the provisions of Section 409A of the Code and any Treasury Regulations and other guidance issued thereunder

19. Notice. All notices that are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy or similar electronic transmission method; one working day after it is sent, if sent by recognized expedited delivery service; and five days after it is sent, if mailed, first class mail, certified mail, return receipt requested, with postage prepaid. In each case notice shall be sent to:

To Employer: Forbes Energy Services LLC
Attention: John E. Crisp, President and Chief Executive Officer
3000 South Business Highway 281
Alice, Texas 78332
Fax: (713) 481-8344

To Employee: L. Melvin Cooper

20. Venue; Process. The parties agree that all obligations payable and performable under this Agreement are payable and performable at the offices of Employer in Alice, Jim Wells County, Texas. The parties to this Agreement agree that jurisdiction and venue in any action brought pursuant to this Agreement to enforce its terms or otherwise with respect to the relationships between the parties shall properly lie in the Judicial District Court for Jim Wells County or in the United States District Court for the Southern District of Texas, Corpus Christi Division, Corpus Christi Office.

21. Six-Month Delay. Notwithstanding any provision of this Agreement to the contrary, if, at the time of Employee's termination of employment with Employer, he is a “specified employee” as defined in Section 409A of the Code, and one or more of the payments or benefits received or to be received by Employee pursuant to this Agreement would constitute deferred compensation subject to Section 409A of the Code, no such payment or benefit will be provided under this Agreement until the earlier of (a) the date that is six (6) months following Employee’s termination of employment with Employer, or (b) the Employee’s death. The provisions of this Section 21 shall only apply to the extent required to avoid Employee’s incurrence of any penalty tax or interest under Section 409A of the Code or any Treasury Regulations and other guidance issued thereunder

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

EMPLOYER:

FORBES ENERGY SERVICES LLC

By:______________________________________
John E. Crisp
President and Chief Executive Officer

EMPLOYEE:

____
L. Melvin Cooper

ACKNOWLEDGED AND AGREED TO FOR PURPOSES OF GUARANTEEING THE FINANCIAL OBLIGATIONS OF EMPLOYER TO EMPLOYEE:

FORBES ENERGY SERVICES LTD.

By:__________________________________
John E. Crisp
President and Chief Executive Officer

APPENDIX A

[TBD]

APPENDIX B

[TBD]

APPENDIX C

YOU SHOULD CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS RELEASE OF CLAIMS.

RELEASE

1. In consideration of the payments and benefits to be made under the Employment Agreement, dated as of ______________________________, 2017 (the "Employment Agreement"), by and between L. Melvin Cooper (the "Employee") and Forbes Energy Services LLC (the "Employer") (each of the Employee and the Employer, a "Party" and collectively, the "Parties"), the sufficiency of which the Employee acknowledges, the Employee, with the intention of binding the Employee and the Employee's heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Employer and each of its subsidiaries and affiliates (the "Employer Affiliated Group"), their present and former officers, directors, Employees, shareholders, agents, attorneys, employees and employee benefit plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Employer Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Employee, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, arising on or prior to the date hereof, against any Employer Released Party that arises out of, or relates to, the Employment Agreement, the Employee's employment with the Employer or any of its subsidiaries and affiliates, or any termination of such employment, including claims (i) for severance or vacation benefits, unpaid wages, salary or incentive payments, (ii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iii) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (iv) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, and including, without limitation, any claim under Title VII of the Civil Rights Act of 1964 ("Title VII"), the Civil Rights Act of 1988, the Fair Labor Standards Act, the Americans with Disabilities Act ("ADA"), the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Age Discrimination in Employment Act ("ADEA"), and any similar or analogous state statute, excepting only:

A. rights and entitlements Employee may have under the Employment Agreement, including any payments that are due to be made subject to execution and delivery of this Release;

B. rights Employee may have under the Company's Management Incentive Plan and any awards granted to Employee thereunder;

C. claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Employer Affiliated Group; and

D. rights to indemnification the Employee has or may have under the by-laws or certificate of incorporation of any member of the Employer Affiliated Group or as an insured under any director's and officer's liability insurance policy now or previously in force;

2. The Employee acknowledges and agrees that this Release is not to be construed in any way as an admission of any liability whatsoever by any Employer Released Party, any such liability being expressly denied.

3. This Release applies to any relief no matter how called, including, without limitation, wages, back pay, front pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorneys' fees and expenses.

4. The Employee specifically acknowledges that the Employee's acceptance of the terms of this Release is, among other things, a specific waiver of the Employee's rights, claims and causes of action under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything contained herein purport, to be a waiver of any right or claim or cause of action which by law the Employee is not permitted to waive.

5. The Employee acknowledges that the Employee has been given a period of forty-five (45) days to consider whether to execute this Release. If the Employee accepts the terms hereof and executes this Release, the Employee may thereafter, for a period of seven (7) days following (and not including) the date of execution, revoke this Release. If no such revocation occurs, this Release shall become irrevocable in its entirety, and binding and enforceable against the Employee, on the day next following the day on which the foregoing seven-day period has elapsed. If such a revocation occurs, the Employee shall irrevocably forfeit any right to payment of the Severance Benefits (as defined in the Employment Agreement), but the remainder of the Employment Agreement shall continue in full force.

6. The Employee acknowledges and agrees that the Employee has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any complaints, charges or lawsuits against any Employer Released Party with any governmental agency, court or tribunal.

7. The Employee acknowledges that the Employee has been advised to seek, and has had the opportunity to seek, the advice and assistance of an attorney with regard to this Release, and has been given a sufficient period within which to consider this Release.

8. The Employee acknowledges that this Release relates only to claims that exist as of the date of this Release.

9. The Employee acknowledges that the Severance Benefits the Employee is receiving in connection with this Release and the Employee's obligations under this Release are in addition to anything of value to which the Employee is entitled from the Employer.

10. Each provision hereof is severable from this Release, and if one or more provisions hereof are declared invalid, the remaining provisions shall nevertheless remain in full

force and effect. If any provision of this Release is so broad, in scope, or duration or otherwise, as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

11. This Release constitutes the complete agreement of the Parties in respect of the subject matter hereof and shall supersede all prior agreements between the Parties in respect of the subject matter hereof except to the extent set forth herein. For the avoidance of doubt, however, nothing in this Release shall constitute a waiver of any Employer Released Party's right to enforce any obligations of the Employee under the Employment Agreement that survive the Employment Agreement's termination, including without limitation, any non-competition covenant, non-solicitation covenant or any other restrictive covenants contained therein.

12. The failure to enforce at any time any of the provisions of this Release or to require at any time performance by another party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect the validity of this Release, or any part hereof, or the right of any party thereafter to enforce each and every such provision in accordance with the terms of this Release.

13. Notwithstanding anything to the contrary herein, this Release shall be void *ab initio* if Employer fails to provide the Severance Benefits (as defined in the Employment Agreement) to Employee.

14. This Release may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures delivered by facsimile shall be deemed effective for all purposes.

15. This Release shall be binding upon any and all successors and assigns of the Employee and the Employer.

16. Except for issues or matters as to which federal law is applicable, this Release shall be governed by and construed and enforced in accordance with the laws of the State of Texas without giving effect to the conflicts of law principles thereof.

[signature page follows]

IN WITNESS WHEREOF, this Release has been signed of ________________, 20__.

____
L. Melvin Cooper

SCHEDULE 1
PERMITTED ACTIVITIES

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into as of the ____________________________, 2017, but is effective as of the Commencement Date (as hereinafter defined), by and between C.C. Forbes, LLC, a Delaware limited liability company (the "Employer"), and Steve Macek, residing at (the "Employee").

WITNESSETH:

1. Employment. Employer has employed and hereby continues to employ Employee, and Employee hereby accepts such continued employment, upon the terms and subject to the conditions set forth in this Agreement. Employee shall be employed by Employer but may serve (and if requested by Employer shall serve) as an officer and/or director of its parent, Forbes Energy Services Ltd. ("Parent"), or any subsidiary or affiliate of Employer or Parent.

2. Term. The term of employment under this Agreement shall commence on ____________________________, 2017 (the "Commencement Date") and shall continue for four (4) years thereafter (such four year period, the "Initial Term"); *provided*, *however*, that, unless terminated as contemplated herein, beginning on the first day after the Initial Term and on every anniversary of such date thereafter (each a "Renewal Date"), the then-existing term of this Agreement shall automatically be extended one additional year unless either party gives the other written notice of termination between one hundred eighty (180) and two hundred forty (240) days prior to any such Renewal Date. For the avoidance of doubt, notice of termination of this Agreement given any time other than between the one hundred eighty (180) and two hundred forty (240) days prior to a Renewal Date shall be void and ineffective. Written notice by Employer shall be solely pursuant to a duly adopted resolution of Employer's or Parent's board of directors. Following the date of termination of employment, Employee shall have no further rights, including but not limited to rights under Section 8, or obligations hereunder, except obligations set forth in Sections 10 and 11.

3. Compensation and Benefits.

(a) Employer shall pay to Employee as compensation for all services rendered by Employee a basic annualized salary of $325,000.00 per year during the Initial Term, or such other sums as the parties may agree on from time to time, payable semi-monthly or in other more frequent installments, as determined by the Board (as hereinafter defined). The board of directors of Parent or, if the same is established, the compensation committee of the board of directors of Parent (the "Compensation Committee"), by providing direction through the board of directors of Employer (collectively, the board of directors of Parent, the Compensation Committee and the board of directors of Employer are referred to as the "Board") shall have the right to increase Employee's compensation from time to time and Employee shall be entitled to an annual review thereof or more frequently as determined by the Board. In addition, the Board, in its discretion, may, with respect to any year during the term hereof, award a bonus or bonuses to Employee; *provided*, *however*, Employer shall annually provide Employee with a bonus based on the terms to be determined by the Compensation Committee or the Board. Such terms shall be more particularly described in Appendix "A" to be attached hereto. Appendix "A" may be modified, supplemented, or replaced from time to time as determined by the Compensation Committee and established by written agreement between Employer and Employee for the purpose of defining the then current bonus calculation methodologies from the applicable year(s). The compensation provided for in this Section 3(a) shall be in addition to any pension or profit sharing payments set aside or allocated for the benefit of Employee in either a tax qualified plan or otherwise.

It is the intention of the parties that an Appendix "B" will be approved by the Board and signed by the Chairman of the Compensation Committee or a non-management representative of the Board and the Employee no later than June 30 of each calendar year (or portion thereof) covered by this Agreement, as amended. In the absence of an approval by the Compensation Committee or the Board of such an Appendix "B" for any year (or portion thereof), the Appendix "B" for the prior year will remain in full force and effect.

(b) Employer shall reimburse Employee for all reasonable expenses incurred by Employee in the performance of his duties under this Agreement, in accordance with the Employer's expense reimbursement policy; *provided, however,* that Employee must furnish to Employer an itemized account, in form satisfactory to Employer, in substantiation of such expenditures.

(c) Employee shall be entitled to such fringe benefits including, but not limited to, medical and family insurance benefits as may be provided from time to time by Employer to other senior officers of Employer and on an economic basis consistent with past practices and policies of Employer; *provided, however*, that any health insurance shall not provide for a preexisting condition limitation, and, *provided further*, that during the term of this Agreement, the aggregate annual cost for such fringe benefits shall not exceed $36,000.

(d) To the extent permitted by applicable law and terms of the benefit plans, Employer shall include in Employee's credited service, in any case where credited service is relevant in determining eligibility for or benefits under any employee benefits plan, the Employee's service for any parent, subsidiary or affiliate of Employer or for any predecessor thereof and time served at prior employers.

(e) Employer shall provide Employee with a vehicle or auto allowance during the term of the Agreement as approved by the President and Chief Executive Officer. Employer will also pay for auto insurance, maintenance and fuel, unless such auto allowance is set to cover insurance and maintenance. Employee may use the automobile for personal use and will pay all taxes related to such personal use.

(f) The amount of expenses eligible for reimbursement or in-kind benefits provided during a calendar year may not affect the expenses eligible for reimbursement to be provided in any other calendar year. Reimbursement of eligible expenses will be made on or before the last day of the calendar year following the calendar year in which the expense was incurred and the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(g)

(i) Employee shall be eligible to participate in such incentive compensation and stock option plans that have been approved or may in the future be approved by the shareholders of Parent or Employer and administered by the Board.

(ii) Employee and Employer agree that in connection with the Reorganization (as hereinafter defined), Parent shall establish a customary management incentive plan (the "MIP") under which shares of new common stock of Parent equal to twelve and one-half of one percent (12.5%) times the sum of (a) the number of shares of new common stock of Parent issued to holders of Parent's 9% senior notes as of the effective date of the Reorganization and (b) the number of shares of new common stock issuable under the MIP will be reserved for grants made from time to time to the officers and other key employees of Employer or Parent, including Employee (the "MIP Aggregate Equity"). Employer and Employee agree that the MIP shall provide for grants of eight and one half of one percent (8.5%) of the MIP Aggregate Equity on the effective date of the Reorganization, the distribution (including the distribution to the Employee) of which shall be determined by the Chairman of the Board in consultation with the Board, subject to the following: (i) one percent (1%) of the MIP Aggregate Equity will vest upon the achievement of certain performance metrics based on the business plan of Employer approved by the Board, (ii) seven and two-tenths of one percent (7.2%) of the MIP Aggregate Equity shall vest as follows: one-fifth (1/5th) shall vest on the effective date of the Reorganization and one-fifth (1/5th) shall vest on each one year anniversary through the fourth anniversary of the effective date of the Reorganization, and (iii) if Exit Financing Termination Date (as defined in the MIP) does not occur within eighteen (18) months following the Commencement Date, an additional number of shares shall be allocated (the "Exit Financing Awards"), such number determined by multiplying the product of three-tenths of one percent (0.3%) of the MIP Aggregate Equity times a fraction, (A) the numerator of which is the number of days between (x) eighteen (18) months after the Commencement Date and (y) the Exit Financing Termination Date, and (B) the denominator of which is the number of days between (x) eighteen (18) months after the Commencement Date and (y) the stated maturity date of the Exit Financing. The Exit Facility Awards, if any, shall be allocated ratably on the same basis as the seven and two-tenths of one percent (7.2%) of the MIP Aggregate Equity and shall vest as follows: (i) two-fifths (2/5ths) shall vest on the first day following the date that is eighteen (18) months after the Commencement Date and (ii) one-fifth (1/5th) shall vest on each of the second, third and fourth anniversaries of the Commencement Date. The remaining pool of four percent (4%) of the MIP Aggregate Equity under the MIP shall be reserved for distribution as determined by the Board in consultation with the Chairman of the Board or, in the event of a Change in Control, shall be granted and allocated as set forth in the MIP.

4. Duties. Employee is engaged and shall serve as Executive Vice President, Well Servicing of Employer. In addition, Employee shall have such other duties and hold such other offices as may from time to time be reasonably assigned to him by the Board. These services shall be provided from offices located in Alice, Texas or such other location as may be mutually agreed.

5. Extent of Services; Vacations and Days Off.

(a) During the term of his employment under this Agreement, Employee shall devote substantially his full business time, energy and attention to the benefit and business of Employer as may be necessary in performing his duties pursuant to this Agreement, subject to the following sentence. Employee shall not provide services of a business nature to any other person except that the Employee may engage in the Permitted Activities (as defined in Section 11(e)) provided that such activities do not significantly interfere with the Employee's performance of his duties hereunder. In order to maximize Employee's efficiency and effectiveness for Employer, Employee may utilize the services of his executive assistant to assist Employee with de minimis personal matters.

(b) Employee shall be entitled to vacations and holidays with pay and to such personal and sick leave with pay in accordance with the policy of Employer as may be established from time to time by Employer and applied to other senior officers of Employer; *provided, however*, that Employee shall annually be entitled to the maximum number of vacation days and holidays afforded to any other officer of Employer or Parent.

6. Facilities. Employer shall provide Employee with a fully furnished office of no less stature, type, and size than was provided as of the Commencement Date, and the facilities of Employer shall be generally available to Employee in the performance of his duties pursuant to this Agreement; it being understood and contemplated by the parties that all equipment, supplies and office personnel required for Employee's performance of duties under this Agreement shall be supplied by Employer.

7. Illness or Incapacity, Termination on Death.

(a) If during the term of his employment Employee becomes permanently disabled, as defined below, or dies, Employer shall pay to the Employee or his estate compensation through the date of death or determination of permanent disability, including salary, any prior year bonus compensation earned but not yet paid and the pro-rated portion of any current year bonus as and when determined in the ordinary course of the calculation of current year bonus due to other executive officers of Employer. Employer shall continue to provide medical insurance and other benefits to which Employee's dependents would otherwise have been entitled for one year following the date of death or determination of permanent disability. Effective upon the date of death or determination of permanent disability, any and all options, rights or awards granted in conjunction with Parent's or Employer's incentive compensation and stock option plans shall immediately vest. Except for the benefits set forth in the preceding sentences and any life insurance benefits included in the benefit package provided at such time by Employer to Employee, Employer shall have no additional financial obligation under this Agreement to Employee or his estate. After receiving the payments and health insurance benefits provided in this subparagraph (a), Employee and his estate shall have no further rights under this Agreement.

(b)

(i) During any period of disability, illness or incapacity during the term of this Agreement that renders Employee at least temporarily unable to perform the services required under this Agreement for a period that shall not equal or exceed ninety (90) continuous days (provided that a return to full work status of less than five full days shall be deemed not to interrupt the calculation of such 90 days), Employee shall receive the compensation payable under Section 3(a) of this Agreement plus any bonus compensation earned through the last day of such ninety (90) day period but not yet paid, less any benefits received by him under any disability insurance carried by or provided by Employer. All rights of Employee under this Agreement (other than rights already accrued) shall terminate as provided below upon Employee's permanent disability (as defined below), although Employee shall continue to receive any disability benefits to which he may be entitled under any disability income insurance that may be carried by or provided by Employer from time to time; Employer hereby agrees to provide such insurance on a same occupation basis.

(ii) The terms “permanently disabled” and “permanent disability” as used in this Agreement shall mean that Employee is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under any long term disability plan maintained by Employer that covers Employee. In the absence of such a long term disability plan, “permanently disabled” and “permanent disability” shall mean that Employee is unable to engage in any substantial gainful activity for a period of at least ninety (90) days in any one-year period by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months. In the event Employee becomes “permanently disabled,” the Board may terminate Employee’s employment under this Agreement upon ten (10) days’ prior written notice. If any determination with respect to “permanent disability” is disputed by Employee, the parties hereto agree to abide by the determination with respect to “permanent disability” of a panel of three physicians. Employee and the Board shall each appoint one member, and the third member of the panel shall be appointed by the other two members. Employee agrees to make himself available for and submit to examinations by such physicians as may be directed by the Board. Failure to submit to any such examination shall constitute a breach of a material part of this Agreement.

8. Other Terminations.

(a)

(i) Employee may terminate his employment hereunder for any reason whatsoever upon giving at least thirty (30) days’ prior written notice. In addition, Employee shall have the right to terminate his employment hereunder (a) at any time for “good reason” or (b) on the conditions provided for in Sections 8(d)(i)(1), 8(d)(i)(2) or 8(d)(i)(3) of this Agreement following a Change in Control. As used herein, “good reason” means the occurrence of any of the following: (1) the relocation of Employee’s office to a location outside the State of Texas, (2) Employee no longer holds the principal executive office held by Employee on the Commencement Date, or (3) a change in reporting structure of Employer or Parent where Employee is required to report to someone holding a title or position different than the title or position of the person (or the Board in the case of the President and Chief Executive Officer) that Employee was required to report to on the Commencement Date.

(ii) If Employee gives notice pursuant to the first sentence of Section 8(a)(i) but not based on the second sentence of Section 8(a)(i) above, Employer shall have the right to relieve Employee, in whole or in part, of his duties under this Agreement (without reduction in compensation through the termination date).

(iii) If Employee terminates his employment hereunder pursuant to clause (a) of the second sentence of Section 8(a)(i) above, then (a) any and all options, rights or awards granted in conjunction with Parent's or Employer's incentive compensation and stock option plans (other than awards subject to performance criteria ("Performance Awards")) shall immediately vest and a "pro rata portion" of each Performance Award shall remain outstanding until the end of the applicable performance period (or, if earlier, until the occurrence of a Change in Control) and shall vest or not based on the actual performance for the performance period or, if applicable, upon the Change in Control as provided in Section 8(d)(i), and (b) Employee shall continue to receive the salary, bonus and other compensation and benefits specified in Section 3 for the remainder of the Initial Term or any then applicable Extension Period, in each case in the amount and kind and at the time provided for in Section 3 (provided, however, that if such benefits are not available under Employer's benefit plans or applicable law, Employer shall be responsible for the cost of providing equivalent benefits); *provided that*, bonuses for each calendar year until the termination of this Agreement shall be paid based on the greater of (x) the amount equal to the total bonus paid for the last completed year for which bonuses have been paid or (y) the amount equal to the bonuses that would have been payable for the then current year (or, in the case of a date of termination of employment that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year), determined on a basis consistent with the last completed year for which bonuses have been paid but using the projected bonus amounts for the then current year (or, in the case of a date of termination of this Agreement that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year) determined by extrapolating the information as of the date of termination of this Agreement based on the best information available at the time of the calculation; *provided further that*, notwithstanding the termination of this Agreement, Employee's covenants set forth in Sections 10 and 11 shall remain in full force and effect. If Employee shall violate any of the provisions of Sections 10 or 11 at any time prior to the termination of this Agreement, then, in addition to its other rights and remedies, Employer shall have the right to terminate all further payments of compensation or benefits to Employee, and shall have no further obligation therefor.

For purposes of this Agreement, the "pro rata portion" of a Performance Award shall be the amount calculated by multiplying the full amount determined based on the Employer's achievement of the performance criteria for the full performance period specified in the applicable award agreement between Employer and Employee by a fraction, the numerator of which is the number of days of the performance period through Employee's termination of employment and the denominator of which is the number of days of the performance period.

For purposes of this Agreement, the term "Extension Period" shall mean the period from a Renewal Date to the day immediately preceding the first anniversary of such Renewal Date.

(b)

(i) Except as otherwise provided in this Agreement, Employer may terminate the employment of Employee hereunder only for "good cause" (as defined below) and upon written notice.

(ii) As used herein, "good cause" shall mean:

(1) Employee's conviction of either a felony involving moral turpitude or any crime in connection with his employment by Employer that causes Employer a substantial detriment, but specifically shall not include traffic offenses;

(2) actions or inactions by Employee that clearly are contrary to the best interests of Employer;

(3) Employee's willful failure to take actions permitted by law and necessary to implement policies of the Board that the Board has communicated to him in writing, provided that such policies that are reflected in minutes of a Board meeting attended in its entirety by Employee shall be deemed communicated to Employee;

(4) Employee's continued failure to devote substantially his full business time, energy and attention to his duties as an executive officer of Employer or its affiliates as contemplated in Section 5(a) above, following written notice from the Board to Employee of such failure; or

(5) any condition that either resulted from Employee's current substantial dependence on alcohol, or any narcotic drug or other controlled or illegal substance. If any determination of substantial dependence is disputed by Employee, the parties hereto agree to abide by the decision of a panel of three physicians appointed in the manner specified in Section 7(b)(ii) of this Agreement.

(6) With respect to (ii) through (v) above, such circumstances shall not constitute "good cause" unless Employee has failed to cure such circumstances within ten (10) business days following written notice thereof from the Board identifying in reasonable detail the manner in which the Employer believes that Employee has not performed such duties and indicating the steps Employer requires to cure such circumstances.

(iii) Termination of the employment of Employee for reasons other than those expressly specified in this Agreement as good cause shall be deemed to be a termination of employment "without good cause."

(c)

(i) If Employer shall terminate the employment of Employee without good cause effective on a date earlier than the end of the Initial Term or any then applicable Extension Period, Employee shall continue to receive the salary, bonus and other compensation and benefits specified in Section 3 for the remainder of the Initial Term or any then applicable Extension Period, in each case in the amount and kind and at the time provided for in Section 3 (provided, however, that if such benefits are not available under Employer's benefit plans or applicable law, Employer shall be responsible for the cost of providing equivalent benefits); *provided that*, bonuses for each calendar year until the termination of employment shall be paid based on the greater of (x) the amount equal to the total bonus paid for the last completed year for which bonuses have been paid or (y) the amount equal to the bonuses that would have been payable for the then current year (or, in the case of a date of termination of employment that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year), determined on a basis consistent with the last completed year for which bonuses have been paid but using the projected bonus amounts for the then current year (or, in the case of a date of termination of employment that occurs between January 1 of any year and the date that bonuses are paid based on the previous year, such previous year) determined by extrapolating the information as of the date of termination of employment based on the best information available at the time of the calculation; *provided further that*, notwithstanding such termination of employment, Employee's covenants set forth in Sections 10 and 11 shall remain in full force and effect. If Employee shall violate any of the provisions of Sections 10 or 11 at any time prior to the expiration of the Initial Term or the applicable Extension Period, then, in addition to its other rights and remedies, Employer shall have the right to terminate all further payments of compensation or benefits to Employee, and shall have no further obligation therefor.

(ii) If Employer shall terminate the employment of Employee without good cause effective on a date earlier than the end of the Initial Term or any then applicable Extension Period, any and all options, rights or awards granted in conjunction with Parent's or Employer's incentive compensation and stock option plans (other than Performance Awards) shall immediately vest and a "pro rata portion" of each Performance Award shall remain outstanding until the end of the applicable performance period (or, if earlier, until the occurrence of a Change in Control) and shall vest or not based on the actual performance for the performance period or, if applicable, upon the Change in Control as provided in Section 8(d)(i).

(iii) The parties agree that, because there can be no exact measure of the damages that would occur to Employee as a result of a termination by Employer of Employee's employment without good cause, the payments and benefits paid and provided pursuant to Section 8 shall be deemed to constitute liquidated damages and not a penalty for Employer's termination of Employee's employment without good cause, and Employer agrees that Employee shall not be required to mitigate his damages.

(d)

(i) If a Change in Control (as defined in the MIP as in effect on the Commencement Date) of Parent shall occur, then any and all options, rights or awards (including restricted stock awards and restricted stock unit awards) granted to Employee in conjunction with the Parent's or Employer's incentive compensation or equity incentive compensation plans shall be deemed to have vested immediately prior to such Change in Control; *provided that*, with respect to the immediate vesting of any and all Performance Awards, such awards shall immediately vest if and to the extent determined by the Board at the time of grant and set forth in the applicable award agreement between Employee and Employer. Further, if a Change in Control of Parent shall occur, and

(1) Employee shall voluntarily terminate his employment following such Change in Control in the event that the Employer:

(A) has after the Change in Control reduced Employee's annual base salary or potential bonus level or any incentive compensation or equity incentive compensation plan benefit (as in effect immediately before such Change in Control);

(B) has relocated Employee's office to a location that is more than 10 miles from the location in which Employee principally works for Employer or Parent immediately before such Change in Control;

(C) has relocated the principal executive office of Parent, Employer or the office of Employer's operating group for which Employee performed the majority of his services for Employer during the year before the Change in Control to a location that is more than 10 miles from the location of such office immediately before such Change in Control;

(D) has required Employee, in order to perform duties of substantially equal status to those duties Employee performed immediately before the Change in Control, to travel on Employer's business to a substantially greater extent than is consistent with Employee's travel obligations immediately before such Change in Control;

(E) has failed to continue to provide Employee with benefits substantially equivalent to those enjoyed by Employee under any of Employer's life insurance, medical, health and accident or disability plans and incentive compensation or equity incentive compensation plans in which Employee was participating immediately before the Change in Control;

(F) has taken any action that would directly or indirectly materially reduce any of such benefits or deprive Employee of any material fringe benefit enjoyed by Employee immediately before the Change in Control;

(G) has failed to provide Employee with at least the number of paid vacation days to which Employee is entitled on the basis of years of service under Employer's normal vacation policy in effect immediately before the Change in Control giving credit for time served at Employer or Parent;

(2) Employee shall voluntarily terminate his employment following such Change in Control in the event that, as a result of the Change in Control and a change in circumstances thereafter significantly affecting his position other than those listed in Section 8(d)(i)(1) above, he no longer has the authorities, powers, functions or duties attached to his position as an executive officer of Employer, Parent or any of their affiliates;

(3) Employee shall voluntarily terminate his employment following such Change in Control, in the event that there has been a substantial diminution of his duties, responsibilities, status, title or position as an executive officer of Employer, Parent or any of their affiliates; or

(4) Employee shall have his employment terminated by Employer for reasons other than those specified in Section 8(b)(ii) following such Change in Control;

then in any of the above four cases, Employee shall be entitled to receive the salary, bonus and other compensation and benefits specified in Section 8(a)(iii) for the periods specified in such section.

(ii) Employee acknowledges and agrees that the reorganization of Parent (the “Reorganization”) pursuant to which this Agreement is entered into shall not be deemed a Change in Control (or phrase having a similar import) for purposes of this Agreement, the Prior Agreement or any other agreement, plan or arrangement to which Employee is a party or in which Employee has any interest.

(e) If the employment of Employee is terminated for good cause under Section 8(b)(ii) of this Agreement, or if Employee voluntarily terminates his employment by written notice to Employer under Section 8(a) of this Agreement without reliance on Section 8(d), Employer shall pay to Employee any compensation earned but not paid to Employee prior to the effective date of such termination. Under such circumstances, such payment shall be in full and complete discharge of any and all liabilities or obligations of Employer to Employee hereunder, and Employee shall be entitled to no further benefits under this Agreement. Employee must, however, still comply with the obligations set forth in Sections 10 and 11 of this Agreement.

(f) Employer’s obligations to provide the compensation and benefits (the “Severance Benefits”) under Sections 8(a)(iii), 8(c) or 8(d), as applicable, shall be conditioned upon Employee having executed and delivered to Employer the release of claims substantially in the form attached hereto as Appendix C (the “Release”) and the period (if any) during which the

Release can be revoked having expired within the 45-day period following the Employee's date of termination; provided, that, if such 45-day period spans two (2) calendar years, no Severance Benefits shall be paid or commenced to be paid until the second year, with the first payment including any amount that would have been paid during such forty-five (45) day period but for this sentence being made promptly following such forty-five (45) day period. Employer and Employee agree that, should Employer fail to provide the Severance Benefits to Employee, the Release shall be void *ab initio*.

9. Inventions and Other Intellectual Property. Employee agrees that during the term of his employment by Employer, he will disclose to Employer (and no one else) all ideas, methods, plans, developments or improvements known by him which relate directly or indirectly to the business of Employer, whether acquired by Employee before or during his employment by Employer. Nothing in this Section 9 shall be construed as requiring any such communication where the idea, plan, method or development is lawfully protected from disclosure as a trade secret of a third party or by any other lawful prohibition against such communication.

10. Confidential Information and Trade Secrets.

(a) For purposes of this Agreement, the term "Forbes's Business" shall mean any business in which the Company or any of its subsidiaries are engaged, including, without limitation, the business of providing oilfield services relating to, among other things, fluid handling, well servicing and workovers, and tubing testing in the Restricted Area (as defined below). In this business, Employer generates a tremendous volume of Confidential Information and Trade Secrets which it hereby agrees to share with Employee, and which Employee will have access to and knowledge of through or as a result of Employee's employment with the Employer. "Confidential Information and Trade Secrets" includes any information, data or compilation of information or data developed, acquired or generated by Employer, or its employees (including information and materials conceived, originating, discovered, or developed in whole or in part by Employee at the request of or for the benefit of Employer or while employed by Employer), which is not generally known to persons who are not employees of Employer, and which Employer generally does not share other than with its employees, or with its customers and suppliers on an individual transactional basis. "Confidential Information and Trade Secrets" may be written, verbal or recorded by electronic, magnetic or other methods, whether or not expressly identified as "Confidential" by Employer.

(b) "Confidential Information and Trade Secrets" includes, but is not limited to, the following information and materials:

(i) Financial information, of any kind, pertaining to Employer, including, without limitation, information about the profit margins, profitability, income and expenses of Employer or any of its divisions or lines of business;

(ii) Names and all other information about, and all communications received from, sent to or exchanged between, Employer and any person or entity which has purchased, contracted, hired, chartered equipment, vessels, personnel or services, or otherwise entered into a transaction with Employer regarding Forbes's Business, or to which Employer has made a proposal with respect to Forbes's Business (such person or entity being hereinafter referred to as "Customer" or "Customers");

(iii) Names and other information about Employer's employees, including their experience, backgrounds, resumes, compensation, sales or performance records or any other information about them;

(iv) Any and all information and records relating to Employer's contracts, transactions, charges, prices, or sales to its Customers, including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information regarding transactions between Employer and any of its Customers;

(v) All information about the employees, agents or representatives of Customers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to Forbes's Business (each such individual being hereinafter referred to as a "Customer Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, duties, and all records of communications to, from or with any such Customer Representative;

(vi) Any and all information or records relating to Employer's contracts or transaction with, or prices or purchases from any person or entity from which Employer has purchased or otherwise acquired goods or services of any kind used in connection with Forbes's Business (each such person or entity being hereinafter referred to as a "Supplier"), including invoices, proposals, confirmations, statements, accounting records, bids, payment records or any other information documents regarding amounts charged by or paid to suppliers for products or services;

(vii) All information about the employees, agents or representatives of Suppliers who are involved in evaluating, providing information for, deciding upon, or committing to purchase, sell or otherwise enter into a transaction relating to Forbes's Business (each such individual being hereinafter referred to as "Supplier Representative") including, without limitation, with respect to any such individual, his name, address, telephone and facsimile numbers, email addresses, titles, positions, duties, and all records of communications to, from or with any such Supplier Representative;

(viii) Employer's marketing, business and strategic growth plans, methods of operation, methods of doing business, cost and pricing data, and other compilations of information relating to the operations of Employer.

(c) Employee acknowledges that all notes, data, forms, reference and training materials, leads, memoranda, computer programs, computer print-outs, disks and the information contained in any computer, and any other records which contain, reflect or describe any Confidential Information and Trade Secrets, belong exclusively to Employer. Employee shall promptly return such materials and all copies thereof in Employee's possession to Employer upon termination of his employment, regardless of the reasons therefor (such date being hereinafter referred to as the "Termination Date").

(d) During Employee's employment with Employer and thereafter, Employee will not copy, publish, convey, transfer, disclose or use, directly or indirectly, for Employee's own benefit or for the benefit of any other person or entity (except Employer) any Confidential Information and Trade Secrets. Employee's obligation shall continue in full force and effect until the later of the final day of any period of non-competition or eighteen (18) months after the termination of Employer's employment. Employee will abide by all rules, guidelines, policies and procedures relating to Confidential Information and Trade Secrets implemented and/or amended from time to time by Employer.

Employee acknowledges that any actual or threatened breach of the covenants contained herein will cause Employer irreparable harm and that money damages would not provide an adequate remedy to Employer for any such breach. For these reasons, and because of the unique nature of the Confidential Information and Trade Secrets and the necessity to preserve such Confidential Information and Trade Secrets in order to protect Employer's property rights in the event of a breach or threatened breach of any of the provisions herein, Employer, in addition to any other remedies available to it at law or in equity, shall be entitled to immediate injunctive relief against Employee to enforce the provisions of this Agreement and shall be entitled to recover from Employee its reasonable attorney's fees and other expenses incurred in connection with such proceedings.

Notwithstanding anything herein to the contrary, or in any agreement or communication between Employer and Employee, (a) the confidentiality and nondisclosure obligations herein shall not prohibit or restrict Employee from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC, any other governmental agency, any self-regulatory organization or any other state or federal regulatory authority, regarding any possible securities law violations, and (b) Employer shall not enforce or threaten to enforce, any confidentiality agreement or other similar agreement, nor take or threaten to take any other action against Employee for engaging in the types of communications described in (a) above.

11. Noncompetition and Nonsolicitation.

(a) During the term of Employee's employment, Employer agrees to provide, and to continue to provide Employee, on a daily, weekly, monthly and continual basis, access to, and the use of, its "Confidential Information and Trade Secrets" concerning Forbes's Business, and Employer's employees, Customers and Customer Representatives, Suppliers and Supplier Representatives and Employer's transactional histories with all of them, as well as information about the logistics, details, revenues and expenses of Forbes's Business, in order to allow Employee to perform Employee's duties under this Agreement, and to develop or continue to solidify relationships with Customers, Customer Representatives, Suppliers and Supplier Representatives. Employee acknowledges that new and additional Confidential Information and Trade Secrets regarding each of these matters is developed by Employer as a part of its continuing operations, and Employer hereby agrees to provide Employee access to and use of all such new, additional and continuing Confidential Information and Trade Secrets, and Employee acknowledges that access to such new, additional and continuing Confidential Information and Trade Secrets is essential for Employee to be able to perform, and continue to perform, Employee's duties under this Agreement. In addition, Employer agrees to provide, and continue to provide, training, education, direction and development to Employee with respect to all of

Employer's business methods, processes, procedures, software and information, including newly developed and newly discovered information, in order to ensure Employee can perform Employee's duties hereunder and participate in Forbes's business.

(b) In consideration of Employer's agreement to provide Employee with access to and use of its Confidential Information and Trade Secrets, including new, additional and continuing Confidential Information and Trade Secrets, and to provide training, Employee agrees to refrain from competing with Employer, or otherwise engaging in Restricted Activities within the Restricted Area, each as defined herein, during the Restricted Period.

(c) Restricted Period. Employee agrees that during the term of his employment with Employer, and thereafter until the later of (i) the end of the Initial Term or any then applicable Extension Period and (ii) one (1) year following termination of Employee's employment following a notice of non-renewal, regardless of the date or cause of such termination of employment (the "Restricted Period"), and regardless of whether the termination of employment occurs with or without cause, and regardless of who terminates such employment, Employee will not, directly or indirectly, engage in any of the Restricted Activities within the Restricted Area.

(d) Restricted Activities. Restricted Activities shall mean and include all of the following:

(i) directly or indirectly, owning, managing, operating, joining, controlling, being employed by, or participating in the ownership, management, operation or control of, or be connected in any manner with, including, without limitation, holding any position as an employee, officer, director, agent, independent contractor, recruiter, consultant, partner, shareholder, investor, lender, underwriter or in any other individual or representative capacity in any person, entity or business that is engaged in Forbes's Business (a "Restricted Enterprise"). The restrictions of this section shall not be violated by (i) the ownership of no more than 5% of the outstanding securities of any company whose stock is publicly traded or (ii) following the termination of his employment with Employer, his employment by a certified public accounting firm or a commercial or investment bank that may have as a client or customer: (A) a Competitor to Employer or (B) any of the clients or customers of Employer with whom Employer did business during the term of Employee's employment, so long as Employee does not directly or indirectly serve, advise or consult in any way such Competitor to Employer or client or customer of Employer, respectively, during the Restricted Period.

(ii) Recruiting, hiring or attempting to recruit or hire, either directly or by assisting others, any other employee of Employer, or any of its customers or suppliers in connection with Forbes's Business. For purposes of this covenant, "any other employee" shall include employees, consultants, independent contractors or others who are still actively employed by, or doing business with, Employer, its Customers or Suppliers, at the time of the attempted recruiting or hiring, or were so employed or doing business at any time within six months prior to the date of such attempted recruiting or hiring;

(iii) Communicating, by any means, soliciting or offering to solicit the purchase, performance, sale, furnishing, or providing of any equipment, services, or product which constitute any part of Forbes's Business to, for or with any Customer, Customer Representative, Supplier or Supplier Representative; and

(iv) Using, disclosing, publishing, copying, distributing or communicating any Confidential Information and Trade Secrets to or for the use or benefit of Employee or any other person or entity other than Employer.

(e) Permitted Activities. Subject to Section 5(a) and Section 11, no provision of this Agreement shall prohibit (i) Employee's continued officer positions, board memberships and service with board committees and/or investments in the entities listed on Schedule 1 attached hereto (the "Scheduled Entities") provided that (A) the Employee's role or amount of time spent with respect to any of the Scheduled Entities does not expand or increase from that in effect on December 1, 2016 and (B) the nature and scope of the services and/or products provided by the Scheduled Entities does not change from that in effect on December 1, 2016 or (ii) such other activities as may be approved by the Board at any time after the Commencement Date (collectively, the "Permitted Activities").

(f) Restricted Area. The Restricted Area shall mean and include anywhere in the continental United States.

(g) Agreement Ancillary to Other Agreements. This covenant not to compete is ancillary to and part of other agreements between Employer and Employee, including, without limitation, Employer's agreement to disclose, and continue to disclose, its Confidential Information and Trade Secrets, and its agreement to provide, and continue to provide, training, education and development to Employee.

(h) Independent Agreements. The parties hereto agree that the foregoing restrictive covenants set forth herein are essential elements of this Agreement, and that, but for the agreement of Employee to comply with such covenants, Employer would not have agreed to enter into this Agreement. Such covenants by Employee shall be construed as agreements independent of any other provision in this Agreement. The existence of any claim or cause of action of Employee against Employer, whether predicated on this Agreement, or otherwise, shall not constitute a defense to the enforcement by Employer of such covenants.

(i) Equitable Reformation. The parties hereto agree that if any portion of the covenants set forth herein are held to be illegal, invalid, unreasonable, arbitrary or against public policy, then such portion of such covenants shall be considered divisible both as to time and geographical area. Employer and Employee agree that, if any court of competent jurisdiction determines the specified time period or the specified geographical area applicable herein to be illegal, invalid, unreasonable, arbitrary or against public policy, a lesser time period or geographical area which is determined to be reasonable, non-arbitrary and not illegal or against public policy may be enforced against Employee. Employer and Employee agree that the foregoing covenants are appropriate and reasonable when considered in light of the nature and extent of the business conducted by Employer and the Confidential Information and Trade Secrets and training provided by Employer to Employee.

12. Injunctive Relief. Employee agrees that damages at law will be an insufficient remedy to Employer if Employee violates or attempts or threatens to violate the terms of Sections 9, 10 or 11 of this Agreement and that Employer would suffer irreparable damage as a result of such violation or attempted or threatened violation. Accordingly, it is agreed that Employer shall be entitled, upon application to a court of competent jurisdiction, to obtain injunctive relief to enforce the provisions of such Sections, which injunctive relief shall be in addition to any other rights or remedies available to Employer, at law or in equity. In the event either party commences legal action relating to the enforcement of the terms of Sections 9, 10 or 11 of this Agreement, the prevailing party in such action shall be entitled to recover from the other party all of the costs and expenses in connection therewith, including reasonable fees and disbursements of counsel (both at trial and in appellate proceedings).

13. Compliance with Other Agreements. Employee represents and warrants that the execution of this Agreement by him and his performance of his obligations hereunder will not conflict with, result in the breach of any provision of or the termination of or constitute a default under any agreement to which Employee is a party or by which Employee is or may be bound.

14. Waiver of Breach. The waiver by Employer of a breach of any of the provisions of this Agreement by Employee shall not be construed as a waiver of any subsequent breach by Employee.

15. Binding Effect; Assignment.

(a) Employer is a subsidiary of Forbes Energy Services Ltd. (the Parent), and Forbes's Business, as defined in Section 10, is carried on by, and the Confidential Information and Trade Secrets as defined in Section 10 has been, and will continue to be, developed by Employer, Parent and each of Parent's or Employer's subsidiaries and affiliates, all of which shall be included within the meaning of the word "Employer" as that term is used in Sections 9, 10, 11 and 12 of this Agreement. This Agreement shall inure to the benefit of, and be enforceable by, Employer, Parent, and each of the subsidiaries and affiliates included within the definition of the word "Employer" as used in Sections 9, 10, 11 and 12.

(b) The rights and obligations of Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Employer. This Agreement is a personal employment contract and the rights, obligations and interests of Employee hereunder may not be sold, assigned, transferred, pledged or hypothecated.

16. Indemnification. Employee shall be entitled throughout the term of this Agreement and thereafter to indemnification by Parent and Employer in respect of any actions or omissions as an employee, officer or director of Parent, Employer (or any successor thereof) to the fullest extent permitted by law. The parties acknowledge that Employee is also entitled to the benefits of a separate Indemnification Agreement between Employee and Parent and that this section shall be read as complimentary with and not in conflict with or substitution for such Indemnification Agreement. Parent and Employer also agree to obtain directors and officers (D&O) insurance in a reasonable amount determined by the Board and to maintain such insurance during the term of this Agreement (as such Agreement may be extended from time to time) and for a period of twelve (12) months following the termination of this Agreement, as so extended.

17. Entire Agreement. This Agreement (including Appendix "A" and Appendix "B", as either may be amended from time to time) contains the entire agreement and supersedes all prior agreements and understandings, oral or written, with respect to the subject matter hereof. This Agreement may be changed only by an agreement in writing signed by the party against whom any waiver, change, amendment, modification or discharge is sought.

18. Construction and Interpretation.

(a) The Board shall have the sole and absolute discretion to construe and interpret the terms of this Agreement, unless another individual or entity is charged with such responsibility.

(b) This Agreement shall be construed pursuant to and governed by the laws of the State of Texas (but any provision of Texas law shall not apply if the application of such provision would result in the application of the law of a state or jurisdiction other than Texas).

(c) The headings of the various sections in this Agreement are inserted for convenience of the parties and shall not affect the meaning, construction or interpretation of this Agreement.

(d) Consistent with Section 11(i), the following sentences of this Section 18(d) shall apply. Any provision of this Agreement that is determined by a court of competent jurisdiction to be prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction. In any such case, such determination shall not affect any other provision of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect. If any provision or term of this Agreement is susceptible to two or more constructions or interpretations, one or more of which would render the provision or term void or unenforceable, the parties agree that a construction or interpretation that renders the term or provision valid shall be favored.

(e) This Agreement shall be construed to the extent necessary to comply with the provisions of Section 409A of the Code and any Treasury Regulations and other guidance issued thereunder

19. Notice. All notices that are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given when received if personally delivered; when transmitted if transmitted by telecopy or similar electronic transmission method; one working day after it is sent, if sent by recognized expedited delivery service; and five days after it is sent, if mailed, first class mail, certified mail, return receipt requested, with postage prepaid. In each case notice shall be sent to:

To Employer:

Forbes Energy Services LLC
Attention: John E. Crisp, President and Chief Executive Officer
3000 South Business Highway 281
Alice, Texas 78332
Fax: (713) 481-8344

To Employee: Steve Macek

20. Venue; Process. The parties agree that all obligations payable and performable under this Agreement are payable and performable at the offices of Employer in Alice, Jim Wells County, Texas. The parties to this Agreement agree that jurisdiction and venue in any action brought pursuant to this Agreement to enforce its terms or otherwise with respect to the relationships between the parties shall properly lie in the Judicial District Court for Jim Wells County or in the United States District Court for the Southern District of Texas, Corpus Christi Division, Corpus Christi Office.

21. Six-Month Delay. Notwithstanding any provision of this Agreement to the contrary, if, at the time of Employee's termination of employment with Employer, he is a "specified employee" as defined in Section 409A of the Code, and one or more of the payments or benefits received or to be received by Employee pursuant to this Agreement would constitute deferred compensation subject to Section 409A of the Code, no such payment or benefit will be provided under this Agreement until the earlier of (a) the date that is six (6) months following Employee's termination of employment with Employer, or (b) the Employee's death. The provisions of this Section 21 shall only apply to the extent required to avoid Employee's incurrence of any penalty tax or interest under Section 409A of the Code or any Treasury Regulations and other guidance issued thereunder

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

EMPLOYER:

FORBES ENERGY SERVICES LLC

By:____
John E. Crisp
President and Chief Executive Officer

EMPLOYEE:

____
Steve Macek

ACKNOWLEDGED AND AGREED TO FOR PURPOSES OF GUARANTEEING THE FINANCIAL OBLIGATIONS OF EMPLOYER TO EMPLOYEE:

FORBES ENERGY SERVICES LTD.

By:___________________________________
John E. Crisp
President and Chief Executive Officer

APPENDIX A

[TBD]

APPENDIX B

[TBD]

APPENDIX C

YOU SHOULD CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS RELEASE OF CLAIMS.

RELEASE

1. In consideration of the payments and benefits to be made under the Employment Agreement, dated as of ______________________________, 2017 (the "Employment Agreement"), by and between Steve Macek (the "Employee") and Forbes Energy Services LLC (the "Employer") (each of the Employee and the Employer, a "Party" and collectively, the "Parties"), the sufficiency of which the Employee acknowledges, the Employee, with the intention of binding the Employee and the Employee's heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Employer and each of its subsidiaries and affiliates (the "Employer Affiliated Group"), their present and former officers, directors, Employees, shareholders, agents, attorneys, employees and employee benefit plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Employer Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Employee, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, arising on or prior to the date hereof, against any Employer Released Party that arises out of, or relates to, the Employment Agreement, the Employee's employment with the Employer or any of its subsidiaries and affiliates, or any termination of such employment, including claims (i) for severance or vacation benefits, unpaid wages, salary or incentive payments, (ii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iii) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (iv) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, and including, without limitation, any claim under Title VII of the Civil Rights Act of 1964 ("Title VII"), the Civil Rights Act of 1988, the Fair Labor Standards Act, the Americans with Disabilities Act ("ADA"), the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Age Discrimination in Employment Act ("ADEA"), and any similar or analogous state statute, excepting only:

A. rights and entitlements Employee may have under the Employment Agreement, including any payments that are due to be made subject to execution and delivery of this Release;

B. rights Employee may have under the Company's Management Incentive Plan and any awards granted to Employee thereunder;

C. claims for benefits under any health, disability, retirement, life insurance or other, similar employee benefit plan (within the meaning of Section 3(3) of ERISA) of the Employer Affiliated Group; and

D. rights to indemnification the Employee has or may have under the by-laws or certificate of incorporation of any member of the Employer Affiliated Group or as an insured under any director's and officer's liability insurance policy now or previously in force;

2. The Employee acknowledges and agrees that this Release is not to be construed in any way as an admission of any liability whatsoever by any Employer Released Party, any such liability being expressly denied.

3. This Release applies to any relief no matter how called, including, without limitation, wages, back pay, front pay, compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, costs, and attorneys' fees and expenses.

4. The Employee specifically acknowledges that the Employee's acceptance of the terms of this Release is, among other things, a specific waiver of the Employee's rights, claims and causes of action under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything contained herein purport, to be a waiver of any right or claim or cause of action which by law the Employee is not permitted to waive.

5. The Employee acknowledges that the Employee has been given a period of forty-five (45) days to consider whether to execute this Release. If the Employee accepts the terms hereof and executes this Release, the Employee may thereafter, for a period of seven (7) days following (and not including) the date of execution, revoke this Release. If no such revocation occurs, this Release shall become irrevocable in its entirety, and binding and enforceable against the Employee, on the day next following the day on which the foregoing seven-day period has elapsed. If such a revocation occurs, the Employee shall irrevocably forfeit any right to payment of the Severance Benefits (as defined in the Employment Agreement), but the remainder of the Employment Agreement shall continue in full force.

6. The Employee acknowledges and agrees that the Employee has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any complaints, charges or lawsuits against any Employer Released Party with any governmental agency, court or tribunal.

7. The Employee acknowledges that the Employee has been advised to seek, and has had the opportunity to seek, the advice and assistance of an attorney with regard to this Release, and has been given a sufficient period within which to consider this Release.

8. The Employee acknowledges that this Release relates only to claims that exist as of the date of this Release.

9. The Employee acknowledges that the Severance Benefits the Employee is receiving in connection with this Release and the Employee's obligations under this Release are in addition to anything of value to which the Employee is entitled from the Employer.

10. Each provision hereof is severable from this Release, and if one or more provisions hereof are declared invalid, the remaining provisions shall nevertheless remain in full

force and effect. If any provision of this Release is so broad, in scope, or duration or otherwise, as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

11. This Release constitutes the complete agreement of the Parties in respect of the subject matter hereof and shall supersede all prior agreements between the Parties in respect of the subject matter hereof except to the extent set forth herein. For the avoidance of doubt, however, nothing in this Release shall constitute a waiver of any Employer Released Party's right to enforce any obligations of the Employee under the Employment Agreement that survive the Employment Agreement's termination, including without limitation, any non-competition covenant, non-solicitation covenant or any other restrictive covenants contained therein.

12. The failure to enforce at any time any of the provisions of this Release or to require at any time performance by another party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect the validity of this Release, or any part hereof, or the right of any party thereafter to enforce each and every such provision in accordance with the terms of this Release.

13. Notwithstanding anything to the contrary herein, this Release shall be void *ab initio* if Employer fails to provide the Severance Benefits (as defined in the Employment Agreement) to Employee.

14. This Release may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures delivered by facsimile shall be deemed effective for all purposes.

15. This Release shall be binding upon any and all successors and assigns of the Employee and the Employer.

16. Except for issues or matters as to which federal law is applicable, this Release shall be governed by and construed and enforced in accordance with the laws of the State of Texas without giving effect to the conflicts of law principles thereof.

[signature page follows]

IN WITNESS WHEREOF, this Release has been signed of _______________, 20__.

____
Steve Macek

SCHEDULE 1
PERMITTED ACTIVITIES

None.

EXHIBIT D

Management Incentive Plan

FORBES ENERGY SERVICES LTD.
2016 MANAGEMENT INCENTIVE PLAN

1. Purpose of the Plan. The purpose of the Plan is to: (i) attract and retain the best available personnel for positions of substantial responsibility, (ii) provide additional incentive to key Service Providers of the Company, and (iii) promote the success of the Company's business. The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares, and Other Stock Based Awards.

2. Definition. As used in this Plan, the following definitions shall apply:

(a) "**Administrator**" means the Board or any of its Committees that shall be administering the Plan, in accordance with Section 4 of the Plan.

(b) "**Affiliate**" shall mean, with respect to any Person or entity, a Person that that, directly or indirectly controls, is controlled by, or is under common control with such Person or entity.

(c) "**Applicable Laws**" means the requirements relating to the administration of equity-based awards or equity compensation plans under U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or shall be, granted under the Plan.

(d) "**Award**" means, individually or collectively, a grant under the Plan of Options, SARs, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares or Other Stock Based Awards.

(e) "**Award Agreement**" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(f) "**Awarded Stock**" means the Common Stock subject to an Award.

(g) "**Board**" means the Board of Directors of the Company.

(h) "**Cause**" means the definition of such term, "good cause" or a term of similar import in an employment agreement between the Participant and the Company. If the Participant is not party to such an Aagreement, then Cause means the occurrence of any of the following:

(i) the Participant's failure to substantially perform such Participant's duties with the Company or any Affiliate as determined by the Board;

(ii) the Participant's willful failure or refusal to perform specific directives of the Board or the Company, which directives are consistent with the scope and nature of the Participant's duties and responsibilities;

(iii) the Participant's conviction of a felony; or

(iv) a breach of the Participant's fiduciary duty to the Company or any Affiliate or willful violation in the course of performing the Participant's duties for the Company or any Affiliate of any policy, rule, or directive of the Company or any Affiliate, or of any law, rule or regulation (other than traffic violations or other minor offenses). No act or failure to act on the Participant's part shall be considered willful unless done or omitted to be done in bad faith and without reasonable belief that the action or omission was in the best interest of the Company.

(i) "**Change in Control**" means, except as otherwise provided in an Award Agreement, the occurrence of any of the following events:

(i) Any Person, other than a Significant Shareholder, becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total combined voting power represented by the Company's then outstanding voting securities; or

(ii) The sale or other disposition of all or substantially all of the assets of the Company to any Person, other than a Significant Shareholder;

provided, however, that no transaction will constitute a Change in Control unless it constitutes a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of its assets, in each case within meaning of Section 409A of the Code and the Treasury regulations promulgated thereunder.

(j) "**Code**" means the Internal Revenue Code of 1986, as amended, and the U.S. Treasury regulations promulgated thereunder. Any reference to a section of the Code shall be a reference to any successor or amended section of the Code.

(k) "**Committee**" means a committee of Directors or other individuals satisfying Applicable Laws appointed by the Board in accordance with Section 4 of the Plan.

(l) "**Common Stock**" means the Common Stock of the Company, or in the case of Performance Units, Restricted Stock Units, and certain Other Stock Based Awards, the cash equivalent thereof, as applicable.

(m) "**Company**" means Forbes Energy Services Ltd., a Texas corporation, and any successor thereto.

(n) "**Director**" means a member of the Board.

(o) "**Disability**" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its sole discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(p) "**Dividend Equivalent**" means a credit, made at the sole discretion of the Administrator, to the account of a Participant in an amount equal to the value of dividends paid on one (1) Share for each Share represented by an Award held by such Participant. Under no circumstances shall the payment of a Dividend Equivalent be made contingent on the exercise of an Option or Stock Appreciation Right.

(q) "**Effective Date**" means the effective date of the Company's Prepackaged Joint Plan of Reorganization, as amended, modified or supplemented.

(r) "**Employee**" means any person, including officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

(s) **"Equity Value"** means the aggregate value of the Company's outstanding equity securities at the time of a Change in Control and shall be equal to the aggregate cash and fair market value of other property received by the Company's shareholders in the transaction that results in the Change in Control. For this purpose, the fair market value of any property received by the Company's shareholders that is not traded on an established securities exchange shall be the value ascribed to such property in the definitive agreement entered into in connection with the Change in Control. Any (x) proceeds which are not actually received by the Company's shareholders at the time of the consummation of the Change in Control but are subject to a contingency or future event (including cash proceeds placed in escrow and cash proceeds subject to an earn out) shall be considered received by the Company's shareholders only if and when the shareholders actually receive those proceeds, and (y) Company equity securities that shareholders continue to beneficially own following the Change of Control, shall not be considered to be property received in connection with the Change in Control.

(t) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(u) "**Exit Financing**" means __________.

(v) "**Exit Financing Termination Date**" means the earlier of (i) the date that the Exit Financing ceases to be outstanding as a result of all obligations being repaid in full in cash and all commitments terminated or (ii) the stated maturity date of the Exit Financing.

(w) "**Fair Market Value**" means, as of any date, the value of a share of Common Stock determined as follows:

(i) If the need for a determination of Fair Market Value arises as a result of a Liquidity Event, Fair Market Value shall be the value ascribed to a share of Common Stock in such Liquidity Event;

(ii) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the NASDAQ Global Select Market, the NASDAQ Global Market (formerly the NASDAQ National Market) or the NASDAQ Capital Market (formerly the NASDAQ SmallCap Market) of the NASDAQ Stock Market, the Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system for the day of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(iii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share of Common Stock shall be the mean between the high bid and low asked prices for the Common Stock for the day of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(iv) In the absence of a determination under (i), (ii) or (iii) above, Fair Market Value shall be determined in good faith by the Administrator, provided that if any applicable Participant or Participants advise the Administrator that the same believe the Fair Market Value of such Partipant's or Participants' shares applicable to such determination to exceed one million dollars ($1,000,000), then the Administrator and the applicable Participant(s) shall work in good faith and on an informal basis to agree on the Fair Market Value. If within thirty (30) days following the event that triggered a need to determine the Fair Market Value, the Administrator and the applicable Participant(s) cannot reach an agreement on the Fair Market Value, the Administrator and such Participant(s) shall jointly agree to appoint an independent business appraiser for the purpose of determining the Fair Market Value. If the Administrator and Participant(s) are unable to agree upon the appointment of a single independent business appraiser, then (i) the Administrator, on the one hand, and such Participant(s), on the other hand, each shall appoint one independent business appraiser, (ii) the two independent business appraisers shall mutually appoint a third independent business appraiser and (iii) the third independent business appraiser shall determine the Fair Market Value. The determination of the Fair Market Value made by such independent business appraiser will, absent manifest error, be final, conclusive, and binding on the Administrator and such Participant(s). Each of the Company, on the one hand, and such Participant(s), on the other hand, shall pay fifty (50%) percent of the fees and expenses of the independent business appraiser(s) incurred in connection with the determination of the Fair Market Value.

(x) "**Incentive Stock Option**" means an Option intended to qualify and receive favorable tax treatment as an incentive stock option within the meaning of Section 422 of the Code, as designated in the applicable Award Agreement.

(y) "**Liquidity Event**" means

(i) a Change in Control in which (a) Participants receive cash and/or marketable securities as part of the consideration from such Change in Control directly from the purchaser sufficient to satisfy their withholding income tax obligations or (b) the Company receives cash and/or marketable securities as part of the consideration from such Change in Control and allocates and distributes an amount of the cash and/or marketable securities to the Participants sufficient to satisfy their withholding income tax obligations;

(ii) any other transaction in which the Participants may be involved and which results in the Participants receiving cash and/or marketable securities sufficient to satisfy their withholding income tax obligations.

(z) "**Nonstatutory Stock Option**" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(aa) "**Option**" means an option to purchase Common Stock granted pursuant to the Plan.

(bb) "**Other Stock Based Awards**" means any other awards not specifically described in the Plan that are valued in whole or in part by reference to, or are otherwise based on, Shares and are created by the Administrator pursuant to Section 12.

(cc) "**Parent**" means a "parent corporation" with respect to the Company, whether now or hereafter existing, as defined in Section 424(e) of the Code.

(dd) "**Participan**t" means a Service Provider who has been granted an Award under the Plan.

(ee) "**Performance Goals**" means goals which have been established by the Committee in connection with an Award and are based on one (1) or more of the following criteria, as determined by the Committee in its absolute and sole discretion: net income; cash flow; cash flow on investment; pre-tax or post-tax profit levels or earnings; operating income or earnings; return on investment; earned value added; expense reduction levels; free cash flow; free cash flow per share; earnings per share; net earnings per share; net earnings from continuing operations; sales growth; sales volume; economic profit; expense reduction; controlled expenses; return on assets; return on net assets; return on equity; return on capital; return on sales; return on invested capital; organic revenue; growth in managed assets; total shareholder return; stock price; stock price appreciation; EBIT, adjusted EBIT, EBITA; adjusted EBITA; EBITDA; adjusted EBITDA; EBITDAR; adjusted EBITDAR; return in excess of cost of capital; operating profits; profit in excess of cost of capital; net operating profit after tax; operating margin; profit margin; adjusted revenue; revenue; net revenue; operating revenue; net cash provided by operating activities; net cash provided by operating activities per share; cash conversion percentage; new sales; net new sales; cancellations; gross margin; gross margin percentage; revenue before deferral; regulatory body approval for commercialization of a product; implementation or completion of critical projects; research; in-licensing; out-licensing; product development; government relations; compliance; mergers and acquisitions; or sales of assets or subsidiaries.

(ff) "**Performance Period**" means the time period during which the Performance Goals or performance objectives must be met.

(gg) "**Performance Shares**" means Shares issued pursuant to a Performance Share Award under Section 10 of the Plan.

(hh) "**Performance Unit**" means, pursuant to Section 10 of the Plan, an unfunded and unsecured promise to deliver Shares, cash or other securities equal to the value set forth in the Award Agreement.

(ii) "**Period of Restriction**" means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of Performance Goals or other target levels of performance, or the occurrence of other events as determined by the Administrator.

(jj) "**Person**" shall have the meaning ascribed to such term in Section 3(a)(9) of the Exchange Act and used in Sections 13(d) and 14(d) of the Exchange Act).

(kk) "**Plan**" means this 2016 Management Incentive Plan.

(ll) "**Reorganized Company**" means the Company as reorganized pursuant to the Company's Prepackaged Joint Plan of Reorganization, as amended, modified or supplemented, effective on the Effective Date.

(mm) "**Restricted Stock**" means Shares issued pursuant to a Restricted Stock Award under Section 8 or issued pursuant to the early exercise of an Option.

(nn) "**Restricted Stock Unit**" means, pursuant to Sections 4 and 11 of the Plan, an unfunded and unsecured promise to deliver Shares, cash or other securities equal in value to the Fair Market Value of one (1) Share in the Company on the date of vesting or settlement, or as otherwise set forth in the Award Agreement.

(oo) "**Rule 16b-3**" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(pp) "**Service Provider**" means an Employee.

(qq) "**Share**" means a share of Common Stock, as adjusted in accordance with Section 15 of the Plan.

(rr) "**Significant Shareholder**" means (i) any shareholder of the Company as of the Effective Date who, together with its Affiliates, "beneficially owns" (as defined in Rule 13d-3 of the Exchange Act) as of the Effective Date five percent (5%) or more of the Company's outstanding voting securities and (ii) with respect to any shareholder described in clause (i) that is an investment fund, any other investment fund managed by the same or an affiliated investment manager.

(ss) "**Stock Appreciation Right**" or "**SAR**" means, pursuant to Section 9 of the Plan, an unfunded and unsecured promise to deliver Shares, cash or other securities equal in value to the difference between the Fair Market Value of a Share as of the date such SAR is exercised/settled and the Fair Market Value of a Share as of the date such SAR was granted, or as otherwise set forth in the Award Agreement.

(tt) "**Subsidiary**" means a "subsidiary corporation" with respect to the Company, whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the Section 15 of the Plan, the maximum aggregate number of Shares that may be subject to Awards under the Plan shall be [_________] (the "***Aggregate Share Reserve***") which is equal to twelve and one-half of one percent (12.5%) times the sum of (i) the number of shares of Common Stock issued to holders of the Company's 9% senior notes as of the Effective Date and (ii) the number of shares of Common Stock issued or issuable pursuant to the Plan, all of which may be subject to Incentive Stock Options (the shares of Common Stock issued or issuable in clauses (i) and (ii) being the "***Contemplated Shares***"). The Aggregate Share Reserve includes three-tenths of one percent (0.3%) of the Contemplated Shares that are issuable to certain Participants based on how long the Exit Financing remains outstanding, as discussed below in Section 3(a)(iii). The Aggregate Share Reserve shall be divided into five pools.

(i) Performance-Based Awards Grant Pool. On the Effective Date, Awards in respect of one percent (1%) of the Aggregate Share Reserve shall be granted to Participants and shall vest upon the achievement of certain performance metrics as provided for in the Award Agreement.

(ii) Time-Based Awards Grant Pool. On the Effective Date, Awards in respect of seven and two-tenths of one percent (7.2%) of the Aggregate Share Reserve, or [________] Shares (the "***Time-Based Awards***") shall be granted to Participants and shall vest as follows: (a) one-fifth ($1/5^{th}$) shall vest on the Effective Date and (b) one-fifth ($1/5^{th}$) shall vest on each one year anniversary of the Effective Date through the fourth anniversary of the Effective Date.

(iii) Exit Financing Awards Grant Pool. On the Effective Date, Awards in respect of up to three-tenths of one percent (0.3%) of the Aggregate Share Reserve, or up to [________] Shares (the "***Exit Financing Shares***"), shall be granted to Participants in accordance with this Section 3(a)(iii). If the Exit Financing Termination Date occurs within eighteen (18) months after the effective date of the Exit Financing, then the number of Shares subject to the Awards granted to Participants in accordance with this Section 3(a)(iii) shall be zero (0). If the Exit Financing Termination Date does not occur within eighteen (18) months after the effective date of the Exit Financing, then the number of Shares subject to the Awards granted to Participants in accordance with this Section 3(a)(iii) shall be determined by multiplying the Exit Financing Shares by a fraction, (A) the numerator of which is the number of days between (x) eighteen (18) months after the effective date of the Exit Financing and (y) the Exit Financing Termination Date, and (B) the denominator of which is the number of days between (x) eighteen (18) months after the effective date of the Exit Financing and (y) the stated maturity date of the Exit Financing. The Awards granted to Participants pursuant to this Section 3(a)(iii) shall (A) vest as follows: (a) two-fifths ($2/5^{ths}$) shall vest on the first day following the date that is eighteen (18) months after the effective date of the Exit Financing and (b) one-fifth ($1/5^{th}$) shall vest on each of the second, third and fourth anniversaries of the effective date of the Exit Financing and

(B) be allocated ratably on the same basis as the Time-Based Awards to Participants on the Effective Date.

(iv) Reserved Grant Pool. The remaining four percent (4%) of the Aggregate Share Reserve, or [____] Shares (the "***Reserved Grant Pool***"), shall be reserved for Awards as determined by the Board of the Reorganized Company in consultation with the Chairman of the Board; provided, however, that if, at the time of a Change in Control, any Shares remain in the Reserved Grant Pool (the "***Unallocated Reserved Shares***"), additional grants of Awards shall be made as follows: (x) if the Change in Control is consummated at an Equity Value of at least $283 million, 50% of the Unallocated Reserved Shares shall be granted in the form of Restricted Stock that will vest immediately prior to but subject to the consummation of the Change in Control and (y) if the Change in Control is consummated at an Equity Value of at least $354 million, the remaining 50% of the Unallocated Reserved Shares shall be granted in the form of Restricted Stock that will vest immediately prior to but subject to the consummation of the Change in Control. Any grants made pursuant to the provision in the preceding sentence shall be allocated to Participants who are employed by the Company or one of its Subsidiaries at the time of the Change in Control in proportion to the number of Shares covered by Awards they then hold.

(v) Lapsed Award Grant Pool. If any outstanding Award expires or is terminated or canceled without having been exercised or settled in full, or if Shares acquired pursuant to an Award subject to forfeiture are forfeited, the Shares allocable to the terminated portion of the Award or the forfeited Shares shall revert to the Plan and be added to the Lapsed Award Grant Pool, and shall again be available for grant under the Plan as determined by the Board of the Reorganized Company in consultation with the Chairman of the Board; provided, however, that no Awards shall be granted in respect of Shares from the Lapsed Award Grant Pool if there are then Shares available for Awards from the Reserved Grant Pool .

(vi) The allocation of the Awards made from the pools established pursuant to Section 3(a)(i) and Section 3(a)(ii) shall be as determined by the Chairman of the Board in consultation with the Board of the Reorganized Company.

(b) Share Counting. Upon the granting of an Award, the number of Shares subject to the Award shall be counted against the Aggregate Share Reserve.

(c) Share Reserve. The Company, during the term of the Plan, shall at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan. Other than as provided above, the Plan shall be administered by (A) the Board or (B) a Committee constituted to satisfy Applicable Laws.

(ii) Rule 16b-3. To the extent any transaction contemplated under the plan is subject to Rule 16b-3 of the Exchange Act, if a transaction is intended to be exempt under Rule 16b-3, it shall be structured to satisfy the requirements for exemption under Rule 16b-3.

(iii) Delegation of Authority for Day-to-Day Administration. Except to the extent prohibited by Applicable Law, the Administrator may delegate to one or more individuals the day-to-day administration of the Plan and any of the functions assigned to it in this Plan. Such delegation may be revoked at any time.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to the Committee, the Administrator shall have the authority, in its discretion to:

(i) subject to clause (iv) of the definition of Fair Market Value, to determine the Fair Market Value of Awards;

(ii) select the Service Providers to whom Awards may be granted under this Plan;

(iii) determine the number of Shares to be covered by each Award granted under this Plan;

(iv) approve forms of Award Agreements for use under the Plan;

(v) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted under this Plan, including but not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on Performance Goals or other performance criteria), any vesting acceleration or waiver of forfeiture or repurchase restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

(vi) construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(vii) amend the terms of any outstanding Award, including the discretionary authority to extend the post-termination exercise period of Awards and accelerate the satisfaction of any vesting criteria or waiver of forfeiture or repurchase restrictions, provided that any amendment that would adversely affect the Participant's rights under an outstanding Award shall not be made without the Participant's written consent; however, except as otherwise provided in Section 15, the Administrator shall not, without prior approval of the Company's shareholders (i) amend the exercise price of outstanding Options or SARs, (ii) cancel and regrant Options or SARs at a lower exercise price, or (iii) substitute underwater Options for other securities (including buyouts through issuance of such cash or other means). Notwithstanding the foregoing, an amendment shall not be treated as adversely affecting the rights of the Participant if the amendment causes an Incentive Stock Option to become a Nonstatutory Stock Option or if the amendment is made to the minimum extent necessary to avoid the adverse tax consequences of Section 409A of the Code.

(viii) allow Participants to satisfy withholding income tax obligations by (i) payment to the Company of the amount of such withholding obligation by cash, wire transfer, certified check or bank draft, (ii) electing to have the Company withhold from the Shares or cash to be issued upon exercise or vesting of an Award that number of Shares or cash having a Fair Market Value equal to or less than the maximum statutory withholding rate for the applicable jurisdiction or (iii) a combination of the above; provided, however, that Participants shall not be entitled to satisfy withholding income tax obligations by having Shares withheld pursuant to clause (ii) above if the income tax withholding obligations arise in connection with a Liquidity Event or following an initial public offering of the Common Stock (or the securities that are subject to the Award following an adjustment pursuant to Section 15) to the extent that following the initial public offering there are not, at the time the income tax withholding is due, any legal or contractual restrictions on the ability of the Participants to sell such Shares in the public market as may be necessary to fund the required withholding income taxes. The Fair Market Value of any Shares to be withheld shall be determined on the date that the amount of income tax to be withheld is to be determined, and all elections by a Participant to have Shares or cash withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable;

(ix) authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(x) allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to the Participant under an Award;

(xi) determine whether Awards shall be settled in Shares, cash or in a combination of Shares and cash;

(xii) create Other Stock Based Awards for issuance under the Plan;

(xiii) establish a program whereby Service Providers designated by the Administrator can reduce compensation otherwise payable in cash in exchange for Awards under the Plan;

(xiv) establish one or more programs under the Plan to permit selected Participants the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of Performance Goals or other performance criteria, or other event that absent the election, would entitle the Participant to payment or receipt of Shares or other consideration under an Award; and

(xv) make all other determinations that the Administrator deems necessary or advisable for administering the Plan.

The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator. However, the Administrator may not exercise any right or power reserved to the Board.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations, actions and interpretations shall be final, conclusive and binding on all persons having an interest in the Plan.

(d) Indemnification. The Company shall defend and indemnify members of the Board, officers and Employees of the Company or of a Parent or Subsidiary to whom authority to act for the Board, the Administrator or the Company is delegated ("**Indemnitees**") to the maximum extent permitted by law against (i) all reasonable expenses, including reasonable attorneys' fees incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein (collectively, a "**Claim**"), to which any of them is a party by reason of any action taken or failure to act in connection with the Plan, or in connection with any Award granted under the Plan; and (ii) all amounts required to be paid by them in settlement the Claim (provided the settlement is approved by the Company) or required to be paid by them in satisfaction of a judgment in any Claim. However, no person shall be entitled to indemnification to the extent he is determined in such Claim to be liable for gross negligence, bad faith or intentional misconduct. In addition, to be entitled to indemnification, the Indemnitee must, within thirty (30) days after written notice of the Claim, offer the Company, in writing, the opportunity, at the Company's expense, to defend the Claim. The right to indemnification shall be in addition to all other rights of indemnification available to the Indemnitee.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares, and Other Stock Based Awards may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. $100,000 Limitation for Incentive Stock Options. Each Option shall be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds $100,000, such Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 6, Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the time the Options with respect to such Shares are granted.

7. Options.

(a) Term of Option. The term of each Option shall be stated in the Award Agreement. In the case of an Incentive Stock Option, the term shall be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option shall be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(b) Option Exercise Price and Consideration.

(i) Exercise Price. The per Share exercise price for the Shares to be issued pursuant to exercise of an Option shall be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price shall be no less than one hundred and ten percent (110%) of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price shall be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price shall be determined by the Administrator, but shall not be less than Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Incentive Stock Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator shall fix the period within which the Option may be exercised and shall determine any conditions that must be satisfied before the Option may be exercised. The Administrator, in its sole discretion, may accelerate the satisfaction of such conditions at any time.

(c) Form of Consideration. The Administrator shall determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator shall determine the acceptable form of consideration at the time of grant. Such consideration, to the extent permitted by Applicable Laws, may consist entirely of:

(i) cash;

(ii) check;

(iii) other Shares which meet the conditions established by the Administrator to avoid adverse accounting consequences (as determined by the Administrator);

(iv) consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan;

(v) a reduction in the amount of any Company liability to the Participant, including any liability attributable to the Participant's participation in any Company-sponsored deferred compensation program or arrangement;

(vi) any combination of the foregoing methods of payment; or

(vii) any other consideration and method of payment for the issuance of Shares permitted by Applicable Laws.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Shareholder. Any Option granted under this Plan shall be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option shall be deemed exercised when the Company receives: (x) written or electronic notice of exercise (in accordance with the Award Agreement) from the person entitled to exercise the Option, and (y) full payment for the Shares with respect to which the Option is exercised (including provision for any applicable tax withholding). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option shall be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to the Awarded Stock, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 15 of the Plan or the applicable Award Agreement. Exercising an Option in any manner shall decrease the number of Shares thereafter available for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's death or Disability, the Participant may exercise his Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination pursuant to the terms of the Award Agreement (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for three (3) months following the Participant's termination after which the Option shall terminate. Unless otherwise provided by the Award Agreement, if on the date of termination the Participant is not vested as to his entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan as provided in Section 3(c). If the Participant does not exercise his Option as to all of the vested Shares within the time specified by the Award Agreement, the Option shall terminate, and the remaining Shares covered by the Option shall revert to the Plan as provided in Section 3(c).

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of his Disability, the Participant may exercise his Option, to the extent vested, within the time specified in the Award Agreement (but in no event later than the expiration of the term of the Option as set forth in the Award Agreement). If no time for exercise of the Option on Disability is specified in the Award Agreement, the Option shall remain exercisable for twelve (12) months following the Participant's termination for Disability. Unless otherwise provided by the Administrator, on the date of termination for Disability, the unvested portion of the Option shall revert to the Plan. If after termination for Disability, the Participant does not exercise his Option as to all of the vested Shares within the time specified by the Award Agreement, the Option shall terminate and the remaining Shares covered by such Option shall revert to the Plan as provided in Section 3(c).

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option, to the extent vested, may be exercised within the time specified in the Award Agreement (but in no event may the Option be exercised later than the expiration of the term of the Option as set forth in the Award Agreement), by the beneficiary designated by the Participant prior to his death; provided that such designation must be acceptable to the Administrator. If no beneficiary has been designated by the Participant, then the Option may be exercised by the personal representative of the Participant's estate, or by the persons to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. If the Award Agreement does not specify a time within which the Option must be exercised following a Participant's death, it shall be exercisable for twelve (12) months following his death. Unless otherwise provided by the Administrator, if at the time of death, the Participant is not vested as to his entire Option, the Shares covered by the unvested portion of the Option shall immediately vest. If the Option is not exercised as to all of the vested Shares within the time specified by the Administrator, the Option shall terminate, and the remaining Shares covered by such Option shall revert to the Plan as provided in Section 3(c).

8. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, shall determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock shall be evidenced by an Award Agreement that shall specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, shall determine. Unless the Administrator determines otherwise, Shares of Restricted Stock shall be held by the Company as escrow agent until the restrictions on the Shares have lapsed.

(c) Removal of Restrictions. Except as otherwise provided in this Section 8, Shares of Restricted Stock covered by each Award made under the Plan shall be released from escrow as soon as practical after the last day of the Period of Restriction. The Administrator, in its sole discretion, may accelerate the time at which any restrictions shall lapse or be removed.

(d) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock may exercise full voting rights with respect to those Shares, unless the Award Agreement provides otherwise.

(e) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock shall be entitled to receive all dividends and other distributions paid with respect to such Shares unless otherwise provided in the Award Agreement. If any dividends or distributions are paid in Shares, the Shares shall be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(f) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed shall revert to the Plan as provided in Section 3(c).

9. Stock Appreciation Rights

(a) Grant of SARs. Subject to the terms and conditions of the Plan, a SAR may be granted to Service Providers at any time and from time to time as shall be determined by the Administrator, in its sole discretion. The Administrator shall have complete discretion to determine the number of SARs granted to any Service Provider. The Administrator, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of SARs granted under the Plan, including the sole discretion to accelerate exercisability at any time.

(b) SAR Agreement. Each SAR grant shall be evidenced by an Award Agreement that shall specify the exercise price, the term, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, shall determine.

(c) Expiration of SARs. A SAR granted under the Plan shall expire upon the date determined by the Administrator, in its sole discretion, as set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Sections 7(d)(ii), 7(d)(iii) and 7(d)(iv) shall also apply to SARs.

(d) Payment of SAR Amount. Upon exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the SAR is exercised.

At the sole discretion of the Administrator, the payment upon the exercise of a SAR may be in cash, in Shares of equivalent value, or in some combination thereof, unless the Award Agreement provides otherwise.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units and Performance Shares. Subject to the terms and conditions of the Plan, Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as shall be determined by the Administrator in its sole discretion. The Administrator shall have complete discretion in determining the number of Performance Units and Performance Shares granted to each Service Provider.

(b) Value of Performance Units and Performance Shares. Each Performance Unit shall have an initial value established by the Administrator on or before the date of grant. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator shall set Performance Goals or other performance objectives in its sole discretion which, depending on the extent to which they are met, shall determine the number or value of Performance Units and Performance Shares that shall be paid out to the Participant. Each award of Performance Units or Performance Shares shall be evidenced by an Award Agreement that shall specify the Performance Period and such other terms and conditions as the Administrator in its sole discretion shall determine. The Administrator may set Performance Goals or performance objectives based upon the achievement of Company-wide, divisional, or individual goals, applicable federal or state securities laws, or any other basis determined by the Administrator in its sole discretion.

(d) Earning of Performance Units and Performance Shares. After the applicable Performance Period has ended, the holder of Performance Units or Performance Shares shall be entitled to receive a payout of the number of Performance Units or Performance Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding Performance Goals or performance objectives have been achieved. After the grant of Performance Units or Performance Shares, the Administrator, in its sole discretion, may reduce or waive any performance objectives for the Performance Unit or Performance Share.

(e) Form and Timing of Payment of Performance Units and Performance Shares. Payment of earned Performance Units and Performance Shares shall be made after the expiration of the applicable Performance Period at the time determined by the Administrator. The Administrator, in its sole discretion, may pay earned Performance Units and Performance Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units or Performance Shares, as applicable, at the close of the applicable Performance Period) or in a combination of cash and Shares.

(f) Cancellation of Performance Units or Performance Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units and Performance Shares shall be forfeited and the Shares subject to the Award shall revert to the Plan as provided in Section 3(c).

11. Restricted Stock Units. Restricted Stock Units shall represent the right of a Participant to receive a payment upon vesting of the Restricted Stock Unit (or on any later date specified by the Administrator and set forth in the Award Agreement at the time of grant) equal to the Fair Market Value of a Share as of the date the Restricted Stock Unit vests or such other date as determined by the Administrator at the time the Restricted Stock Unit was granted. The Administrator, in its sole discretion, may pay earned Restricted Stock Units in the form of cash,

in Shares (which have an aggregate Fair Market Value equal to the payment to which the Participant has become entitled) or in a combination of cash and Shares. Upon the forfeiture or other termination of Restricted Stock Units without payment therefore, Shares subject to the Award shall revert to the Plan as provided in Section 3(c).

12. Other Stock Based Awards. Other Stock Based Awards may be granted either alone, in addition to, or in tandem with, other Awards granted under the Plan and/or cash awards made outside of the Plan. The Administrator shall have authority to determine the Service Providers to whom and the time or times at which Other Stock Based Awards shall be made, the amount of such Other Stock Based Awards, and all other conditions of the Other Stock Based Awards, including any dividend or voting rights and whether the Award should be paid in cash.

13. Leaves of Absence. Unless the Administrator provides otherwise, vesting of Awards granted under this Plan shall be suspended during any unpaid leave of absence and shall resume on the date the Participant returns to work on a regular schedule as determined by the Company; provided, however, that no vesting credit shall be awarded for the time vesting has been suspended during such leave of absence. A Service Provider shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no leave of absence may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not guaranteed by statute or contract, then at the end of three (3) months following the expiration of the leave of absence, any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option.

14. Non-Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by the laws of descent, distribution or pursuant to a qualifed domestic relations order, and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award shall contain such additional terms and conditions as the Administrator deems appropriate.

15. Adjustments; Dissolution or Liquidation; Change in Control.

(a) Adjustments. In the event that (a) the outstanding Shares are changed into or exchanged for a different number or kind of shares of stock or other securities or other equity interests of the Company or another corporation or entity, whether through merger, consolidation, reorganization, recapitalization, stock dividend, stock split, reverse stock split, substitution, exchange or other similar corporate event or transaction or (b) there is an extraordinary dividend or distribution by the Company or an Affiliate in respect of its Shares, an equitable adjustment shall be made, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. Such adjustment may include an adjustment to the maximum number and kind of shares of stock or other securities or other equity interests as to which Awards may be granted under the Plan, the number and kind of shares of stock or other securities or other equity interests subject to outstanding Awards and the exercise price thereof, if applicable, and the numerical limits in Section 3. Notwithstanding the preceding, the number of Shares subject to any Award always shall be a whole number.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Participant as soon as practical prior to the effective date of the proposed transaction. The Administrator will provide for a Participant to have the right to exercise his Award, to the extent applicable, until ten (10) days prior to the transaction as to all of the Awarded Stock covered thereby, including Shares as to which the Award would not otherwise be exercisable. In addition, the Administrator may provide that any Company repurchase option or forfeiture rights applicable to any Award shall lapse one hundred percent (100%), and that any Award vesting shall accelerate one hundred percent (100%), provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent it has not been previously exercised or vested, an Award shall terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. This Section 15(c) shall apply except to the extent otherwise provided in the Award Agreement or the employment agreement between a Participant and the Company or a Subsidiary of the Company.

(i) Stock Options and SARs. In the event of a Change in Control that results in ownership by a successor corporation, each outstanding Option and SAR shall be assumed or an equivalent option or SAR substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. Unless determined otherwise by the Administrator, if the successor corporation refuses to assume or substitute for the Option or SAR, the Participant shall fully vest in and have the right to exercise the Option or SAR as to all of the Awarded Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option or SAR is not assumed or substituted on the Change in Control, the Administrator shall notify the Participant in writing or electronically that the Option or SAR shall be exercisable, to the extent vested, for a period of at least ninety (90) days prior to the Change in Control (the any exercise of an Option or SAR that was not otherwise exercisable bing subject to the Change in Control actually occurring), and the Option or SAR shall terminate upon the the occurrence of the Change in Control. For the purposes of this Section 15(c)(i), the Option or SAR shall be considered assumed if, following the Change in Control, the option or SAR confers the right to purchase or receive, for each Share of Awarded Stock subject to the Option or SAR immediately prior to the Change in Control, the consideration (whether securities, cash, or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares). However, if the consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option or SAR, for each share of Awarded Stock subject to the Option or SAR, to be solely common stock of the successor corporation or its Parent equal in Fair Market Value to the per share consideration received by holders of Common Stock in the Change in Control. Notwithstanding anything in this Plan to the contrary, an Award that vests, is earned, or is paid-out upon the satisfaction of one or more performance objectives shall not be considered assumed if the Company or its successor modifies any of the performance objectives without the Participant's consent;

provided, however, a modification to performance objectives only to reflect the successor corporation's post-Change in Control corporate structure shall not be deemed to invalidate an otherwise valid Award assumption.

(ii) Restricted Stock, Performance Shares, Performance Units, Restricted Stock Units and Other Stock Based Awards. In the event of a Change in Control, each outstanding Award of Restricted Stock, Restricted Stock Unit, Performance Share, Performance Unit, and Other Stock Based Award shall be assumed or an equivalent Restricted Stock, Restricted Stock Unit, Performance Share, Performance Unit, and Other Stock Based Award shall be substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. Unless determined otherwise by the Administrator, if the successor corporation refuses to assume or substitute for the Award, the Participant shall fully vest in the Award, including as to Shares or Units that would not otherwise be vested, all applicable restrictions shall lapse, and all performance objectives and other vesting criteria shall be deemed achieved at targeted levels. For the purposes of this Section 15(c)(ii), an Award of Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, and Other Stock Based Awards shall be considered assumed if, following the Change in Control, the award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control (and if a Restricted Stock Unit or Performance Unit, for each Share as determined based on the then current value of the unit), the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares). However, if the consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide that the consideration to be received for each Share (and if a Restricted Stock Unit or Performance Unit, for each Share as determined based on the then current value of the unit) be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control. Notwithstanding anything in this Plan to the contrary, an Award that vests, is earned, or is paid-out upon the satisfaction of one or more performance objectives shall not be considered assumed if the Company or its successor modifies any of the performance objectives without the Participant's consent; provided, however, a modification to the performance objectives only to reflect the successor corporation's post-Change in Control corporate structure shall not be deemed to invalidate an otherwise valid Award assumption.

16. Date of Grant. The date of grant of an Award shall be, for all purposes, the date on which the Administrator makes the determination granting such Award, or a later date as is determined by the Administrator. Notice of the determination shall be provided to each Participant within a reasonable time after the date of such grant.

17. Term of Plan. The Plan became effective on the Effective Date and thereafter shall continue in effect for a term of ten (10) years unless terminated earlier under Section 18 of the Plan.

18. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan. The Plan shall terminate upon the occurrence of a Change in Control and no Awards may be granted following a Change in Control.

(b) Shareholder Approval. The Company shall obtain shareholder approval of any Plan amendment to the extent necessary to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension, or termination of the Plan shall materially or adversely impair the rights of any Participant, unless otherwise mutually agreed upon by the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it under this Plan with respect to Awards granted under the Plan prior to the date of termination.

19. Conditions upon issuance of shares.

(a) Legal Compliance. Shares shall not be issued pursuant to the exercise of an Award unless the exercise of the Award and the issuance and delivery of such Shares shall comply with Applicable Laws and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise or receipt of an Award, the Company may require the person exercising or receiving the Award to represent and warrant at the time of any such exercise or receipt that the Shares are being purchased only for investment and without any present intention to sell or distribute the Shares if, in the opinion of counsel for the Company, such a representation is required.

(c) Taxes. No Shares shall be delivered under the Plan to any Participant or other person until the Participant or other person has made arrangements acceptable to the Administrator for the satisfaction of any non-U.S., U.S.-federal, U.S.-state, or local income and employment tax withholding obligations, including, without limitation, obligations incident to the receipt of Shares. Upon exercise or vesting of an Award, the Company shall withhold or collect from the Participant an amount sufficient to satisfy such tax obligations, including, but not limited to, by surrender of a whole number of Shares covered by the Award sufficient to satisfy the minimum applicable tax withholding obligations incident to the exercise or vesting of the Award.

20. Severability. Notwithstanding any provision of the Plan or an Award to the contrary, if any one or more of the provisions (or any part thereof) of this Plan or the Awards shall be held invalid, illegal, or unenforceable in any respect, such provision shall be modified so as to make it valid, legal, and enforceable, and the validity, legality, and enforceability of the remaining provisions (or any part thereof) of the Plan or Award, as applicable, shall not in any way be affected or impaired thereby.

21. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

22. No Rights to Awards. No eligible Service Provider or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Administrator shall be obligated to treat Participants or any other person uniformly.

23. No Shareholder Rights. Except as otherwise provided in an Award Agreement, a Participant shall have none of the rights of a shareholder with respect to Shares covered by an Award until the Participant becomes the owner of the Shares.

24. Fractional Shares. No fractional Shares shall be issued and the Administrator shall determine, in its sole discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down as appropriate.

25. Governing Law. The Plan, all Award Agreements, and all related matters, shall be governed by the laws of the State of Texas, without regard to choice of law principles that direct the application of the laws of another state.

26. No Effect on Terms of Employment or Consulting Relationship. The Plan shall not confer upon any Participant any right as a Service Provider, nor shall it interfere in any way with his right or the right of the Company or a Parent or Subsidiary to terminate the Participant's service at any time, with or without cause, and with or without notice. There is no obligation for uniformity of treatment of any Service Provider of the Company or any Participant.

27. Unfunded Obligation. Participants shall have the status of general unsecured creditors of the Company. Any amounts payable to Participants pursuant to the Plan shall be unfunded and unsecured obligations for all purposes, including, without limitation, Title I of the Employee Retirement Income Security Act of 1974, as amended. Neither the Company nor any Parent or Subsidiary shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations under this Plan. Any investments or the creation or maintenance of any trust for any Participant account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Parent or Subsidiary and Participant, or otherwise create any vested or beneficial interest in any Participant or the Participant's creditors in any assets of the Company or Parent or Subsidiary. The Participants shall have no claim against the Company or any Parent or Subsidiary for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

28. Section 409A. It is the intention of the Company that no Award shall be "deferred compensation" subject to Section 409A of the Code, unless and to the extent that the Administrator specifically determines otherwise, and the Plan and the terms and conditions of all

Awards shall be interpreted accordingly. The following rules shall apply to Awards intended to be subject to Section 409A of the Code ("**409A Awards**"):

(a) Any distribution of a 409A Award following a separation from service that would be subject to Section 409A(a)(2)(A)(i) of the Code as a distribution following a separation from service of a "specified employee" (as defined under Section 409A(a)(2)(B)(i) of the Code) shall occur no earlier than the expiration of the six (6) month period following such separation from service.

(b) In the case of a 409A Award providing for distribution or settlement upon vesting or lapse of a risk of forfeiture, if the time of such distribution or settlement is not otherwise specified in the Plan or Award Agreement or other governing document, the distribution or settlement shall be made no later than March 15 of the calendar year following the calendar year in which such 409A Award vested or the risk of forfeiture lapsed.

(c) In the case of any distribution of any other 409A Award, if the timing of such distribution is not otherwise specified in the Plan or Award Agreement or other governing document, the distribution shall be made not later than the end of the calendar year during which the settlement of the 409A Award is specified to occur.

29. Construction. Headings in this Plan are included for convenience and shall not be considered in the interpretation of the Plan. References to sections are to Sections of this Plan unless otherwise indicated. Pronouns shall be construed to include the masculine, feminine, neutral, singular or plural as the identity of the antecedent may require. This Plan shall be construed according to its fair meaning and shall not be strictly construed against the Company.

* * * * *

EXHIBIT E

Registration Rights Agreement

REGISTRATION RIGHTS AGREEMENT

by and among

FORBES ENERGY SERVICES LTD

and

THE HOLDERS PARTY HERETO

Dated as of April [●], 2017

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Annex A Form of Joinder Agreement

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "***Agreement***") is made as of April [●], 2017 by and among Forbes Energy Services Ltd., a Delaware corporation (the "***Company***"), and the parties identified as "***Holders***" on the signature page hereto. Capitalized terms used but not otherwise defined herein are defined in Section 1 hereof.

RECITALS:

WHEREAS, the Company proposes to issue and has agreed to offer registration rights to certain holders of the Company's New Common Stock pursuant to, and upon the terms set forth in, the plan of reorganization of the Company and certain of its subsidiaries and affiliates under chapter 11 of the United States Bankruptcy Code (the "***Plan***"), dated as of December 21, 2016, as amended.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each of the Holders hereby agree as follows:

1. Definitions.

"***Affiliate***" of any particular Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person; provided that funds or accounts managed, advised or sub-advised by any Holder shall also be considered Affiliates of such Holder.

"***Agreement***" has the meaning specified in the first paragraph hereof.

"***Automatic Shelf Registration Statement***" means an "automatic shelf registration statement" as defined in Rule 405 (or any successor rule then in effect) promulgated under the Securities Act.

"***beneficially owned***", "***beneficial ownership***" and similar phrases have the same meanings as such terms have under Rule 13d-3 and 13d-5 (or any successor rule then in effect) promulgated under the Exchange Act, except that in calculating the beneficial ownership of any Holder, such Holder shall be deemed to have beneficial ownership of all securities that such Holder has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The calculation of beneficial ownership for a Holder shall also include funds or accounts managed, advised or sub-advised by any Holder.

"***Board***" means the board of directors of the Company.

"***Business Day***" means any day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by applicable law or executive order to close.

"***Commission***" means the United States Securities and Exchange Commission or any successor governmental agency.

"***Company***" has the meaning specified in the first paragraph hereof.

"***Company Demand Cutback***" has the meaning specified in Section 2(e).

"***Company Demand Registration***" has the meaning specified in Section 2(f).

"***Company Demand Registration Notice***" has the meaning specified in Section 2(b).

"***Company Shelf Takedown Notice***" has the meaning specified in Section 3(c).

"***control***" (including the terms "*controlling*," "*controlled by*" and "*under common control with*") means, unless otherwise noted, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting shares, by contract, or otherwise.

"***Counsel to the Holders***" means, with respect to any underwritten offering pursuant to a Demand Registration (including a Shelf Takedown or any Underwritten Shelf Takedown), the one law firm or other legal counsel selected by the Holders of a majority of the Registrable Securities requested to be included in such Demand Registration (or Shelf Takedown or Underwritten Shelf Takedown, if applicable).

"***Demand Cutback***" has the meaning specified in Section 2(e).

"***Demand Holder***" shall mean any Holder that, together with its Affiliates, beneficially owns at least 10% of the outstanding shares of New Common Stock as of the Effective Date, for so long as such Holder continues to beneficially own at least 5% of the aggregate outstanding shares of New Common Stock; provided, however, that any decrease in the beneficial ownership percentage of any Demand Holder resulting from the issuance by the Company of New Common Stock or other securities convertible into or exercisable for New Common Stock after the Effective Date, shall not cause any Demand Holder to cease being a Demand Holder for purposes of this Agreement; provided, further, that a Demand Holder shall cease to be a Demand Holder at such time as such Demand Holder no longer holds any Registrable Securities.

"***Demand Registration***" has the meaning specified in Section 2(a).

"***Demand Registration Notice***" has the meaning specified in Section 2(b).

"***Demand Shelf Takedown Notice***" has the meaning specified in Section 3(c).

"***Determination Date***" has the meaning specified in Section 3(h).

"***EDGAR***" means the Electronic Data Gathering, Analysis and Retrieval System of the Commission.

"***Effective Date***" has the meaning assigned to such term in the Plan.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended from time to time.

"***FINRA***" means the Financial Industry Regulatory Authority or any successor regulatory authority.

"***Follow-On Registration Notice***" has the meaning specified in Section 3(i).

"***Follow-On Shelf***" has the meaning specified in Section 3(i).

"***Form S-1 Shelf***" has the meaning specified in Section 3(a).

"***Form S-3 Shelf***" has the meaning specified in Section 3(a).

"***Free Writing Prospectus***" means any "free writing prospectus" as defined in Rule 405 promulgated under the Securities Act.

"***Holder***" means (i) each Person identified on the signature page hereto and (ii) any parties identified on the signature page of any joinder agreements executed and delivered to the Company pursuant to Section 17 hereof.

"***Holder Free Writing Prospectus***" means each Free Writing Prospectus prepared by or on behalf of the relevant Holder or used or referred to by such Holder in connection with the offering of Registrable Securities.

"***Issuer Free Writing Prospectus***" means an issuer free writing prospectus as defined in Rule 433 under the Securities Act.

"***Lock-Up Period***" has the meaning specified in Section 6.

"***Long-Form Registration***" has the meaning specified in Section 2(a).

"***Losses***" has the meaning specified in Section 10(a).

"***National Securities Exchange***" means any exchange registered as a national securities exchange under the terms and conditions of Section 6 and in accordance with the provisions of Section 19 of the Exchange Act (or any successor provisions then in effect), including the Nasdaq Stock Market.

"***New Common Stock***" means the shares of common stock, par value $0.01 per share, of the Company issued on or after the Effective Date.

"***Opt-Out Request***" has the meaning specified in Section 19(r).

"***Other Holders***" has the meaning specified in Section 4(c).

"***Person***" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization, a governmental entity or any department, agency or political subdivision thereof or any other entity.

"***Piggyback Cutback***" has the meaning specified in Section 4(b).

"***Piggyback Registration***" has the meaning specified in Section 4(a).

"***Piggyback Takedown***" has the meaning specified in Section 4(a).

"***Plan***" has the meaning specified in the Recitals.

"***Prospectus***" means the prospectus used in connection with a Registration Statement.

"***Registrable Securities***" means at any time New Common Stock held or beneficially owned by any Holder, including (i) any New Common Stock issued pursuant to the Plan or upon the conversion, exercise or exchange, as applicable, of any other securities and/or interests issued pursuant to the Plan and (ii) any shares of New Common Stock acquired in the open market or otherwise purchased or acquired by the Holder after the Effective Date; provided, however, that as to any Registrable Securities, such securities shall irrevocably cease to constitute Registrable Securities upon the earliest to occur of: (A) the date on which such securities have been disposed of pursuant to an effective registration statement under the Securities Act; (B) the date on which such securities have been disposed of pursuant to Rule 144; (C) the date on which such securities have been transferred to any Person, other than a Holder or a Person pursuant to Section **Error! Reference source not found.** hereof; and (D) the date on which such securities cease to be outstanding.

"***Registration Statement***" means any registration statement filed hereunder or in connection with a Piggyback Takedown.

"***Requesting Holder***" has the meaning specified in Section 2(a).

"***Rule 144***" means Rule 144 promulgated under the Securities Act (or any successor rule then in effect).

"***Rule 144A***" means Rule 144A promulgated under the Securities Act (or any successor rule then in effect).

"***Securities Act***" means the Securities Act of 1933, as amended from time to time.

"***Shelf Registration***" means a registration of securities pursuant to a Registration Statement filed with the Commission in accordance with and pursuant to Rule 415 promulgated under the Securities Act (or any successor rule then in effect) that, in accordance with Section 7(c), the Company may be required to keep effective for longer than 90 days.

"***Shelf Takedown***" means an Underwritten Shelf Takedown, a Piggyback Takedown or another offering pursuant to a Shelf Registration.

"***Shelf Takedown Cutback***" has the meaning specified in Section 3(d).

"***Shelf Takedown Requesting Holder***" has the meaning specified in Section 3(b).

"***Short-Form Registration***" has the meaning specified in Section 2(a).

"***Suspension Period***" has the meaning specified in Section 5(a).

"***Underwritten Block Trade***" has the meaning ascribed to such term in Section 3(e).

"***Underwritten Shelf Takedown***" has the meaning specified in Section 3(b).

"***Well-Known Seasoned Issuer***" means a "*well-known seasoned issuer*" as defined in Rule 405 promulgated under the Securities Act (or any successor rule then in effect).

2. Demand Registrations.

(a) Requests for Registration. At any time after the date hereof, any Demand Holder or group of Demand Holders (in such capacity, each a "***Requesting Holder***") may request registration under the Securities Act of all or any portion of the Registrable Securities held by such Requesting Holder(s) (A) on Form S-1 (or any successor form then in effect) (a "***Long-Form Registration***"), if Form S-3 is not available to the Company, or (B) on Form S-3 or any similar short-form registration (a "***Short-Form Registration***"), if available (a "***Demand Registration***"). Notwithstanding the preceding sentence, the Company shall be required to conduct no more than (i) two Long-Form Registrations for each Demand Holder, and an unlimited number of Short-Form Registrations for each Demand Holder. Any Requesting Holder may request that any offering conducted under a Long-Form Registration or Short-

Form Registration be underwritten. Any Demand Registration requested for a firm underwritten offering of Registrable Securities must have an expected value of at least $5 million.

(b) Demand Registration Notices. All requests for Demand Registrations shall be made by giving written notice to the Company (the "***Demand Registration Notice***"). Each Demand Registration Notice shall specify (i) whether such Demand Registration shall be an underwritten offering, (ii) the approximate number of Registrable Securities proposed to be sold by the Demand Holder in the Demand Registration and (iii) the expected price range (net of underwriting discounts and commissions) of such Demand Registration. Within five Business Days after receipt of any Demand Registration Notice, the Company shall give written notice of such requested Demand Registration to all other Holders of Registrable Securities (the "***Company Demand Registration Notice***") and, subject to the provisions of Section 2(e) below, shall include in such Demand Registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 10 days after sending the Company Demand Registration Notice.

(c) Long-Form Registrations. A registration shall not count as one of the permitted Long-Form Registrations until both (i) it has become effective and (ii) the Requesting Holder(s) is able to register and sell pursuant to such registration at least 90% of the Registrable Securities requested to be included in such registration either at the time of the registration or within 90 days thereafter; provided that a Long-Form Registration which is withdrawn at the sole request of the Requesting Holder(s) who demanded such Long-Form Registration will count as a Long-Form Registration unless the Company is reimbursed by such Requesting Holder(s) for all reasonable out-of-pocket fees and expenses incurred by the Company (including legal fees) in connection with such registration.

(d) Short-Form Registrations. Demand Registrations shall be Short-Form Registrations whenever the Company is permitted to use any applicable short form registration statement under the rules and regulations of the Securities Act, unless the underwriters, in their reasonable discretion, determine that the use of a Long-Form Registration is necessary in order for the successful offering of such Registrable Securities. Promptly after the Company has become eligible to use Form S-3 under the Securities Act, the Company shall use commercially reasonable efforts to make Short-Form Registrations on Form S-3 (or any successor form) available for the resale of Registrable Securities on a continuous or delayed basis.

(e) Priority on Demand Registrations. The Company shall not include in any Demand Registration any securities which are not Registrable Securities without the prior written consent of the Requesting Holders holding a majority of Registrable Securities, provided that the Company may include in such Demand Registration securities of the Company for sale for its own account, subject to the priority provision described below.

Except in the case of a Company Demand Registration, if the Demand Registration is an underwritten offering and the managing underwriters for such Demand Registration advise the Company and applicable Requesting Holders in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such Demand Registration exceeds the number of Registrable Securities and other securities, if any, which can be sold in an orderly manner in such offering within a price range acceptable to the Holders of a majority of the Registrable Securities requested to be included in the Demand Registration, the Company shall reduce the number of Registrable Securities in such Demand Registration which can be so sold (a "***Demand Cutback***") as follows: (i) *first*, the securities the Company proposes to sell, (ii) then *second*, the Registrable Securities requested by any Holders that are not Demand Holders to be included in the Demand Registration up to 50% of the remaining Demand Cutback, pro rata among Holders of such Registrable Securities on the basis of the number of Registrable Securities requested to be included by each such Holder and (iii) then *third*, the remaining Demand Cutback shall apply to Registrable Securities requested by any Demand Holders to be included in the Demand Registration, pro rata among the respective Demand Holders of such Registrable Securities on the basis of the number of Registrable Securities requested to be included by each such Demand Holder.

In the case of a Company Demand Registration, if the Demand Registration is an underwritten offering and the managing underwriters for such Demand Registration advise the Company and applicable Requesting Holders in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such Demand Registration exceeds the number of Registrable Securities and other securities, if any, which can be sold in an orderly manner in such offering within a price range acceptable to the Holders of a majority of the Registrable Securities requested to be included in the Demand Registration, the Company shall reduce the number of Registrable Securities in such Demand Registration which can be so sold (a "***Company Demand Cutback***") as follows: (i) *first*, the Registrable Securities requested by any Holders that are not Demand Holders to be included in the Demand Registration up to 50% of the Company Demand Cutback, pro rata among Holders of such Registrable Securities on the basis of the number of Registrable Securities requested to be included by each such Holder, (ii) then *second*, the Company Demand Cutback shall apply to Registrable Securities requested by any Demand Holders to be included in the Demand Registration, pro rata among the respective Demand Holders of such Registrable Securities on the basis of the number of Registrable Securities requested to be included by each such Demand Holder and (iii) then, *third*, the securities the Company proposes to sell.

(f) Restrictions on Demand Registrations. The Company shall not be obligated to effect any Demand Registration during the period starting with the date that is 30 days prior to the Board's good faith estimate of the date of filing of, and ending on the date that is 45 days after the effective date of, a Company initiated registration statement (a "***Company Demand Registration***"), provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration to become effective and the Company has complied with the requirements of Section 4 hereof. In the event of any such suspension or delay, the Holder of Registrable Securities initially requesting a Demand Registration that is suspended by operation of this Section 2(f) shall be entitled to withdraw such request and, if such request is withdrawn, such Demand Registration shall not count as one of the permitted Demand Registrations hereunder, and, notwithstanding the proviso in Section 2(c), the Company shall pay all Registration Expenses in connection with such registration.

(g) Selection of Underwriters. The Holders of a majority of the Registrable Securities initially requested to be included in a Demand Registration which is an underwritten offering shall have the right to select the investment banker(s) and manager(s) to administer the offering (which shall consist of one or more reputable nationally recognized investment banks), subject to the Company's approval which shall not be unreasonably withheld, conditioned or delayed; provided, however, the Company shall select the investment banker(s) and manager(s) to administer the offering (which shall consist of one or more reputable nationally recognized investment banks) in connection with a Company Demand Registration, with input from Demand Holders participating in such Demand Registration.

(h) Other Registration Rights. As of the date hereof, the Company represents and warrants that it is not a party to, or otherwise subject to, any other agreement granting registration rights to any other Person with respect to any securities of the Company, including securities convertible, exercisable or exchangeable into or for shares of any equity securities of the Company.

3. Shelf Registration.

(a) Filing. Promptly after the Effective Date, the Company shall file, and shall thereafter use its reasonable best efforts to cause to be declared effective as promptly as reasonably practicable thereafter, a Shelf Registration on Form S-1 (or other appropriate form) for the offer and resale of Registrable Securities on a delayed or continuous basis (the "***Form S-1 Shelf***"). The Company shall give written notice of the filing of the Form S-1 Shelf at least 15 days prior to filing thereof to all Holders of Registrable Securities (the "***Registration Notice***") and shall include in such Registration Statement all Registrable Securities with respect to which the Company has received written requests for inclusion therein within 10 days after sending the Registration Notice. The Company shall maintain the Form S-1 Shelf in accordance with the terms hereof (including as set forth in Section 7(c)(ii)). The Company shall use commercially reasonable efforts to convert the Form S-1 Shelf (and any Follow-On Shelf) to a Registration Statement for a Shelf Registration on Form S-3 (the "***Form S-3 Shelf,***" and together with the Form S-1 Shelf (and any Follow-On Shelf), the "***Shelf***") as soon as reasonably practicable after the Company is eligible to use Form S-3. For the avoidance of doubt, the filing of the Form S-1 Shelf under this Section 3(a) shall not count as a Demand Registration and the Company shall be required to file and maintain as many Shelf Registrations as necessary (or post-effective amendments, supplements or other filings) until the date on which all Registrable Securities have been sold pursuant to the Shelf Registrations or have otherwise ceased to be Registrable Securities.

(b) Requests for Underwritten Shelf Takedowns. At any time and from time to time after the Shelf having been declared effective by the Commission, any Demand Holder (in such capacity, each a "***Shelf Takedown Requesting Holder***") may request to sell all or any portion of their Registrable Securities in an underwritten offering that is registered pursuant to the Shelf (each, an "***Underwritten Shelf Takedown***"). Any Underwritten Shelf Takedown must have an expected value of at least $5 million. For the avoidance of doubt, each Underwritten Shelf Takedown shall not count as a Demand Registration.

(c) Demand Notices. All requests for Underwritten Shelf Takedowns shall be made by giving written notice to the Company (the "***Demand Shelf Takedown Notice***"). Each Demand Shelf Takedown Notice shall specify the approximate number of Registrable Securities proposed to be sold in the Underwritten Shelf Takedown and the expected price range (net of underwriting discounts and commissions) of such Underwritten Shelf Takedown. Within five Business Days after receipt of any Demand Shelf Takedown Notice, the Company shall give written notice of such requested Underwritten Shelf Takedown to all other Holders which have Registrable Securities included on such Shelf Registration (the "***Company Shelf Takedown Notice***") and, subject to the provisions of Section 3(d) below, shall include in such Underwritten Shelf Takedown all Registrable Securities with respect to which the Company has received written requests for inclusion therein within five Business Days after sending the Company Shelf Takedown Notice.

(d) Priority on Underwritten Shelf Takedowns. The Company shall not include in any Underwritten Shelf Takedown that is not a Piggyback Takedown any securities which are not Registrable Securities without the prior written consent of the Holders owning a majority of the Registrable Securities subject to such request, provided that the Company may include in such Demand Registration securities of the Company for sale for its own account, subject to the priority provision described below. If the managing underwriters for such Underwritten Shelf Takedown advise the Company and the Holders of Registrable Securities included in the Shelf Takedown in writing that in their opinion the number of Registrable Securities and, if permitted hereunder, other securities requested to be included in such Underwritten Shelf Takedown exceeds the number of Registrable Securities and other securities, if any, which can be sold in an orderly manner in such offering within a price range acceptable to the Holders of a majority of the Registrable Securities requested to be included in the

Underwritten Shelf Takedown, the Company shall reduce the number of Registrable Securities in such Underwritten Shelf Takedown which can be so sold (a "***Shelf Takedown Cutback***") as follows: (i) *first*, the securities the Company proposes to sell, (ii) then *second*, the Registrable Securities requested by any Holders that are not Demand Holders to be included in the Demand Registration up to 50% of the remaining Shelf Takedown Cutback, pro rata among Holders of such Registrable Securities on the basis of the number of Registrable Securities requested to be included by each such Holder and (iii) then *third*, the remaining Shelf Takedown Cutback shall apply to Registrable Securities requested by any Demand Holders to be included in the Demand Registration, pro rata among the respective Demand Holders of such Registrable Securities on the basis of the number of Registrable Securities requested to be included by each such Demand Holder.

(e) Underwritten Block Trades. Notwithstanding the foregoing, if a Shelf Takedown Requesting Holder wishes to engage in an underwritten block trade or similar transaction or other transaction with a 2-day or less marketing period (collectively, "***Underwritten Block Trade***") in an Underwritten Shelf Takedown then notwithstanding the foregoing time periods, such Shelf Takedown Requesting Holder only needs to notify the Company of the Underwritten Block Trade two (2) Business Days prior to the day such offering is to commence and the Company shall notify other Holders on the same day and such other Holders must elect whether or not to participate by the next Business Day (i.e., one (1) Business Day prior to the day such offering is to commence), and the Company shall, subject to Section 2(f), use its commercially reasonable efforts to facilitate such Underwritten Shelf Takedown (which may close as early as three (3) Business Days after the date it commences); provided, however, that the Shelf Takedown Requesting Holder requesting such Underwritten Block Trade shall use commercially reasonable efforts to work with the Company and the underwriters prior to making such request in order to facilitate preparation of the registration statement, prospectus and other offering documentation related to the Underwritten Block Trade.

(f) Restrictions on Underwritten Shelf Takedowns. The Company shall not be obligated to effect an Underwritten Shelf Takedown within 60 days after the pricing of a previous Underwritten Shelf Takedown.

(g) Selection of Underwriters. The Holders of a majority of the Registrable Securities requested to be included in an Underwritten Shelf Takedown shall have the right to select the investment banker(s) and manager(s) to administer the offering (which shall consist of one or more reputable nationally recognized investment banks), subject to the Company's approval which shall not be unreasonably withheld, conditioned or delayed.

(h) Automatic Shelf Registration. Further, upon the Company becoming a Well-Known Seasoned Issuer, (i) the Company shall give written notice to all of the Holders as promptly as reasonably practicable, and such notice shall describe, in reasonable detail, the basis on which the Company has become a Well-Known Seasoned Issuer, and (ii) the Company shall, as promptly as practicable, register, under an Automatic Shelf Registration Statement, the sale of all of the Registrable Securities in accordance with the terms of this Agreement. The Company shall use commercially reasonable efforts to file such Automatic Shelf Registration Statement as promptly as practicable, but in no event later than 90 days after it becomes a Well-Known Seasoned Issuer, and to cause such Automatic Shelf Registration Statement to remain effective thereafter until there are no longer any Registrable Securities. The Company shall give written notice of filing such Automatic Shelf Registration Statement to all of the Holders as promptly as practicable thereafter. At any time after the filing of an Automatic Shelf Registration Statement by the Company, if the Company is no longer a Well-Known Seasoned Issuer (the "***Determination Date***"), the Company shall (A) as promptly as practicable, but in no event more than 20 days after such Determination Date, give written notice thereof to all of the Holders and (B) within 30 days after such Determination Date, file a Registration Statement on an appropriate form (or a post effective amendment converting the Automatic Shelf Registration Statement to an appropriate form) covering all of the Registrable Securities, and use commercially reasonable efforts to have such Registration Statement declared effective as promptly as reasonably practicable after the date the Automatic Shelf Registration Statement is no longer useable by the Holders to sell their Registrable Securities.

(i) Additional Selling Stockholders and Additional Registrable Securities.

(i) If the Company is not a Well-Known Seasoned Issuer, within 45 days after a written request by a Demand Holder to register for resale any additional Registrable Securities owned by such Demand Holder, the Company shall file a Registration Statement substantially similar to the Shelf then effective, if any (each, a "***Follow-On Shelf***"), to register for resale such Registrable Securities. The Company shall give written notice of the filing of the Follow-On Shelf at least 15 days prior to filing the Follow-On Shelf to all Holders of Registrable Securities (the "***Follow-On Registration Notice***") and shall include in such Follow-On Shelf all Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten days after sending the Follow-On Registration Notice. Notwithstanding the foregoing, the Company shall not be required to file a Follow-On Shelf (A) if the aggregate amount of Registrable Securities requested to be registered on such Follow-On Shelf by all Holders that have not yet been registered represent less than 1% of the then outstanding New Common Stock or (B) if the Company is not then eligible for use of Form S-3 for secondary offerings and the Company has filed a Follow-On Shelf in the prior 180 days. The Company shall use commercially reasonable efforts to cause such Follow-On Shelf to be declared effective as promptly as practicable. Any Registrable Securities requested to be registered pursuant to this Section 3(i)(i) that have not been registered on a Shelf or pursuant to Section 4 below at the time the Follow-On Shelf is filed shall be registered pursuant to such Follow-On Shelf.

(ii) If the Company is a Well-Known Seasoned Issuer, within ten Business Days after a written request by one or more Holders of Registrable Securities to register for resale any additional Registrable Securities owned by such Holders, the Company shall make all necessary filings to include such Registrable Securities in the Automatic Shelf Registration Statement filed pursuant to Section 3(h).

(iii) If a Form S-3 Shelf or Automatic Shelf Registration Statement is effective, within ten Business Days after written request therefor by a Holder of Registrable Securities, the Company shall file a prospectus supplement, post-effective amendment or current report on Form 8-K, as applicable, to add such Holder as a selling stockholder on such Form S-3 Shelf or Automatic Shelf Registration Statement to the extent permitted under the rules and regulations promulgated by the Commission.

4. Piggyback Takedowns.

(a) Right to Piggyback. Whenever the Company proposes to file a Registration Statement under the Securities Act with respect to an offering of any class of the Company's equity securities (other than a Demand Registration or registrations on Form S-8 or Form S-4, a "***Piggyback Registration***"), and such registration may include the registration of Registrable Securities (together with a Piggyback Registration , a "***Piggyback Takedown***"), the Company shall give written notice to all Holders of Registrable Securities of its intention to effect such Piggyback Takedown. In the case of a Piggyback Takedown that is an offering under a Shelf Registration, such notice shall be given not less than five Business Days prior to the expected date of commencement of marketing efforts for such

Piggyback Takedown, unless such time is waived by the Holders of a majority of the Registrable Securities that request such inclusion. In the case of a Piggyback Takedown that is an offering under a registration statement that is not a Shelf Registration, such notice shall be given not less than 15 days prior to the expected date of filing of such registration statement. The Company shall, subject to the provisions of Section 4(b) and Section 4(c) below, include in such Piggyback Takedown, as applicable, all Registrable Securities with respect to which the Company has received written requests for inclusion therein within five Business Days after sending the Company's notice. Nothing in this Section 4(a) shall create an obligation on behalf of the Company to proceed with a Piggyback Takedown, and the Company may cancel any Piggyback Takedown upon written notice to the Holders of Registrable Securities requesting to include their Registrable Securities in such Piggyback Takedown. Any Holder of Registrable Securities may withdraw its request for inclusion of Registrable Securities in a Piggyback Takedown by giving written notice to the Company of its intention to withdraw from that registration within two days prior to the expected date of the commencement of marketing efforts for such Piggyback Takedown; provided, however, that the withdrawal shall be irrevocable and after making the withdrawal, a Holder shall no longer have any right to include its Registrable Securities in that Piggyback Takedown.

(b) Priority on Primary Piggyback Takedowns. If a Piggyback Takedown is an underwritten primary registration on behalf of the Company, and the managing underwriters for a Piggyback Takedown advise the Company in writing that in their opinion the number of securities requested to be included in such Piggyback Takedown exceeds the number which can be sold in an orderly manner in such offering within a price range acceptable to the Company, the Company shall reduce the number of Registrable Securities in such Piggyback Takedown which can be so sold (a "***Piggyback Cutback***") as follows: (i) *first*, the Registrable Securities requested by any Holders that are not Demand Holders to be included in the Demand Registration up to 50% of the Piggyback Cutback, pro rata among Holders of such Registrable Securities on the basis of the number of Registrable Securities requested to be included by each such Holder, (ii) then *second*, the Piggyback Cutback shall apply to Registrable Securities requested by any Demand Holders to be included in the Demand Registration, pro rata among the respective Demand Holders of such Registrable Securities on the basis of the number of Registrable Securities requested to be included by each such Demand Holder and (iii) then, *third*, the securities the Company proposes to sell.

(c) Selection of Underwriters. If any Piggyback Takedown is an underwritten primary offering on behalf of the Company, the Company will have the right to select the investment banker(s) and manager(s) to administer the offering (which shall consist of one or more reputable nationally recognized investment banks), with input from Demand Holders participating in such registration.

5. Suspension Period.

(a) Suspension Period. Notwithstanding any provision of this Agreement to the contrary, if the Board determines in good faith that the registration, offer, sale and/or distribution of Registrable Securities (i) would reasonably be expected to materially impede, delay or interfere with, or require premature disclosure of, any material financing, offering, acquisition, merger, consolidation, tender offer, recapitalization, corporate reorganization or segment reclassification or discontinuance of operations, or other significant transaction or any negotiations, discussions or pending proposals with respect thereto, involving the Company or any of its subsidiaries or (ii) would require disclosure of non-public material information, the disclosure of which would reasonably be expected to materially and adversely affect the Company, subject to the provisions of Section 5(b), the Company shall be entitled to suspend, for a reasonable period of time (each, a "***Suspension Period***"), the use of any Registration Statement or Prospectus and shall not be required to amend or supplement the Registration Statement, any related Prospectus or any document incorporated therein by reference. It is also agreed that, notwithstanding Section 7(c) hereof or any other provision of this Agreement to the contrary, each year the Company updates a Form S-1 Shelf (A) the Company may need to suspend use of the Form S-1 Shelf to the extent such registration statement has not been declared effective by the Commission prior to the time it is required to be updated under the Securities Act and (B) to the extent such registration statement undergoes Commission review, the Company will need to suspend use of the Form S-1 Shelf pending completion of such review. The Company promptly will give written notice of any such Suspension Period to each Holder that has Registrable Securities registered on a Registration Statement filed hereunder. A Holder of Registrable Securities shall not effect any sales of the Registrable Securities pursuant to such Registration Statement (or such filings) at any time after it has received such notice from the Company and prior to the end of the Suspension Period. Holders of the Registrable Securities may recommence effecting sales of the Registrable Securities pursuant to the Registration Statement (or such filings) following the end of the Suspension Period.

(b) Limitations on Suspension Periods. Notwithstanding anything contained in Section 5(a) to the contrary, the Company shall not be entitled to more than two Suspension Periods in any 12-month period, and in no event shall the number of days included in all Suspension Periods during any consecutive 12-month period exceed 90 days in the aggregate; provided, however, that the applicable time period set forth in Section 7(c) shall be extended for a length of time equal to the Suspension Period.

6. Lock-Up Agreements.

(a) Holders of Registrable Securities. In connection with any underwritten public offering of equity securities of the Company (including pursuant to any Shelf Takedown), no Holder who beneficially owns two percent (2%) or more of the outstanding shares of New Common Stock, and no Holder who is selling in such underwritten public offering, whether beneficially owning two percent (2%) or less of the outstanding shares of New Common Stock, shall sell, offer, pledge, contract to sell (including any short sale), grant any option to purchase, transfer or otherwise dispose of, including any sale pursuant to Rule 144, equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities or enter into any hedging transaction relating to any such securities, without the prior written consent of the Company, during the seven days prior to and the 75-day period beginning on the date of pricing of such underwritten public equity offering (each, a "***Lock-Up Period***"), except as part of the underwritten public equity offering, and (A) unless the underwriters managing such underwritten public equity offering otherwise agree by written consent and (B) only if such Lock Up Period (or a longer period) is applicable on substantially similar terms to the Company and the Company uses its commercially reasonable efforts to cause each of its executive officers and directors to be subject to such Lock Up Period (or a longer period) on substantially similar terms; provided, that nothing herein will prevent any Holder from making a gift of Registrable Securities or prevent any Holder that is a partnership or corporation from making a distribution of Registrable Securities to the partners or stockholders thereof or prevent any Holder from making a transfer to an Affiliate that is otherwise in compliance with the applicable securities laws, so long as in each case such donees, distributees or transferees agree to be bound by the restrictions set forth in this Section **Error! Reference source not found.**, such transfer shall not involve a disposition for value and either (x) no filing by any party (donor, donee, transferor or transferee) under the Exchange Act shall be required or shall be voluntarily made in connection with such transfer (other than a filing on Form 5 made after the expiration of the Lock-Up Period) or (y) if a filing is required or is voluntarily made, such filing discloses that such transfer did not involve a disposition for value and such donees, distributees or transferees will be bound by the restrictions set forth in this Section **Error! Reference source not found.**. The term "***hedging transaction***" means any short sale (whether or not against the box) or any purchase, sale or grant of any right (including, without limitation, any put or call option) with respect to any security that includes, relates to or derives any significant part of its value from the New Common Stock (other than a broad-based market basket or index). Each Holder agrees to execute a customary lock-up agreement in favor of the Company's underwriters to such effect and, in any event, the Company's underwriters in any underwritten public offering of equity securities shall be third party beneficiaries of this Section **Error! Reference source not found.**. The provisions of this Section **Error! Reference source not found.** will no longer apply to a Holder once such Holder ceases to hold Registrable Securities.

Notwithstanding anything to the contrary set forth in this Agreement or any certificate, document, instrument or writing delivered in connection therewith, none of the provisions of this Agreement or any certificate, document, instrument or writing delivered in connection therewith shall in any way limit any Holder or any of its Affiliates from engaging in any brokerage, investment advisory, financial advisory, anti-raid advisory, principaling, merger advisory, financing, asset management, trading, market making, arbitrage, investment activity and other similar activities conducted in the ordinary course of their business.

(b) The Company. In connection with any underwritten public equity offering (including pursuant to any Shelf Takedown), and only upon the reasonable request of the managing underwriter, the Company shall, and shall use commercially reasonably efforts to cause its executive officers and directors to, agree to a lock-up provision in an underwriting agreement or lock-up agreement, as applicable, in customary form and substance, and with exceptions that are customary, for an underwritten public offering.

7. Company Undertakings.

Whenever Registrable Securities are registered pursuant to this Agreement, the Company shall use commercially reasonable efforts to effect the registration and the sale of such Registrable Securities as soon as reasonably practicable in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as promptly as reasonably practicable:

(a) prepare and file with the Commission a Registration Statement with regard to such Registrable Securities as soon as reasonably practicable (but in the case of a Demand Registration, not later than 75 days of its receipt of a Demand Registration Notice for a Long-Form Registration and not later than 30 days of its receipt of a Demand Registration Notice for a Short-Form Registration) and use reasonable best efforts to cause such Registration Statement to be declared effective as promptly as reasonably practicable thereafter;

(b) before filing a Registration Statement or Prospectus or any amendments or supplements thereto, furnish to the Holders whose Registrable Securities are requested to be included in the Registration Statement copies of all such documents, other than exhibits, documents that are incorporated by reference and such documents that are otherwise publicly available on EDGAR, proposed to be filed and such other documents reasonably requested by such Holders and provide their counsel with a reasonable opportunity to review and comment on such documents;

(c) notify each Holder of Registrable Securities of the effectiveness of each Registration Statement and prepare and file with the Commission such amendments and supplements to such Registration Statement as may be necessary to keep such Registration Statement effective for a period of not less than (i) 90 days in the case of a Demand Registration that is not a Shelf Registration, (ii) in the case of a Shelf Registration, until the date on which all Registrable Securities have been sold pursuant to the Shelf Registration or have otherwise ceased to be Registrable Securities or the maximum length permitted by the Commission, (or, in each case, if sooner, until all Registrable Securities have been sold under such Registration Statement), and comply with the provisions of the Securities Act (including by preparing and filing with the Commission any Prospectus or supplement to be used in connection therewith) with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the Holders as set forth in such Registration Statement;

(d) furnish to each seller of Registrable Securities, and the managing underwriters, without charge, such number of copies of the applicable Registration Statement, each amendment and supplement thereto, the Prospectus included in such Registration Statement (including each preliminary Prospectus, final Prospectus, and any other Prospectus (including any Prospectus filed under Rule 424, Rule 430A or Rule 430B promulgated under the Securities Act and any Issuer Free Writing Prospectus)), all exhibits and other documents filed therewith and such other documents as such seller or such managing underwriters may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller, and upon request, a copy of any and all transmittal letters or other correspondence to or received from, the Commission or any other governmental authority relating to such offer;

(e) use commercially reasonable efforts (i) to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests in writing, (ii) keep such registration or qualification in effect for so long as such Registration Statement remains in effect, and (iii) to do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Company shall not be required to (A) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subsection, (B) subject itself to taxation in any such jurisdiction or (C) consent to general service of process in any such jurisdiction);

(f) notify each seller of such Registrable Securities, Counsel to the Holders and the managing underwriters (i) at any time when a Prospectus relating to the applicable Registration Statement is required to be delivered under the Securities Act, (A) upon discovery that, or upon the happening of any event as a result of which, such Registration Statement, or the Prospectus or Issuer Free Writing Prospectus relating to such Registration Statement, or any document incorporated or deemed to be incorporated therein by reference contains an untrue statement of a material fact or omits any material fact necessary to make the statements in the Registration Statement or the Prospectus or Issuer Free Writing Prospectus relating thereto not misleading or otherwise requires the making of any changes in such Registration Statement, Prospectus, Issuer Free Writing Prospectus or document, and, at the request of any such seller and subject to Section 5(a) hereof, the Company shall promptly prepare a supplement or amendment to such Prospectus or Issuer Free Writing Prospectus, furnish a reasonable number of copies of such supplement or amendment to each seller of such Registrable Securities, Counsel to the Holders and the managing underwriters and file such supplement or amendment with the Commission so that, as thereafter delivered to the purchasers of such Registrable Securities, such Prospectus or Issuer Free Writing Prospectus as so amended or supplemented shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading, (B) as soon as the Company becomes aware of any comments or inquiries by the Commission or any requests by the Commission or any Federal or state governmental authority for amendments or supplements to a Registration Statement or related Prospectus or Issuer Free Writing Prospectus covering Registrable Securities or for additional information relating thereto, (C) as soon as the Company becomes aware of the issuance or threatened issuance by the Commission of any stop order suspending or threatening to suspend the effectiveness of a Registration Statement covering the Registrable Securities or (D) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any Registrable Security for sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose; and (ii) when each Registration Statement or any amendment thereto has been filed with the Commission and when each Registration Statement or the related Prospectus or Issuer Free Writing Prospectus or any Prospectus supplement or any post effective amendment thereto has become effective;

(g) use commercially reasonable efforts to cause all such Registrable Securities (i) if the New Common Stock is then listed on a National Securities Exchange or included for quotation in a recognized trading market, to continue to be so listed or included, (ii) if the Registrable Securities are to be distributed in an underwritten offering and the New Common Stock is not then listed on a National Securities Exchange or included for quotation in a recognized trading market, to, as promptly as practicable (subject to the limitations set forth in the Plan), be listed on a National Securities Exchange, and (iii) to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the sellers thereof to consummate the disposition of the Registrable Securities;

(h) provide and cause to be maintained a transfer agent and registrar for all such Registrable Securities from and after the effective date of the applicable Registration Statement;

(i) in connection with any underwritten offering, enter into and perform under such customary agreements (including underwriting agreements in customary form, including customary representations and warranties and provisions with respect to indemnification and contribution) and take all such other actions as the Holders of a majority of the Registrable Securities being sold or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities (including effecting a stock split, a combination of shares, or other recapitalization) and provide reasonable cooperation, including causing appropriate officers to attend and participate in "*road shows*" and analyst or investor presentations and such other selling or other informational meetings organized by the underwriters, if any (taking into account the needs of the Company's businesses and the responsibilities of such officers with respect thereto and the requirement of the marketing process);

(j) in connection with any underwritten offering (including an Underwritten Shelf Takedown), use commercially reasonable efforts to obtain and cause to be furnished to each such Holder of Registrable Securities included in such underwritten offering and the managing underwriter(s) a signed counterpart of (i) a comfort letter from the Company's independent public accountants and (ii) a legal opinion of counsel to the Company addressed to the relevant underwriters in customary form and covering such matters of the type customarily covered by such letters as the managing underwriters included in such underwritten offering reasonably request;

(k) upon reasonable notice and at reasonable times during normal business hours, make available for inspection by any Holder of Registrable Securities covered by the applicable Registration Statement, Counsel to the Holders, any underwriter participating in any disposition pursuant to such registration, as applicable, and any other attorney or accountant retained by such Holder or underwriter, all financial and other records and pertinent corporate documents of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such Holder, underwriter, attorney or accountant in connection with such Registration Statement or Shelf Takedown, as applicable, provided that recipients of such financial and other records and pertinent corporate documents agree in writing to keep the confidentiality thereof pursuant to a written agreement reasonably acceptable to the Company and the applicable underwriter (which shall contain customary exceptions thereto);

(l) permit any Holder of Registrable Securities which Holder in its reasonable judgment might be deemed to be an Affiliate of the Company, Counsel to the Holders, any underwriter participating in any disposition pursuant to a Registration Statement, and any other attorney, accountant or other agent retained by such Holder of Registrable Securities or underwriter, to participate (including, but not limited to, reviewing, commenting on and attending all meetings) in the preparation of such Registration Statement and any Prospectus supplements relating to a Shelf Takedown, if applicable;

(m) in the event of the issuance or threatened issuance of any stop order suspending the effectiveness of a Registration Statement, or of any order suspending or preventing the use of any related Prospectus or suspending the qualification of any Registrable Securities included in such Registration Statement for sale in any jurisdiction, the Company shall use commercially reasonable efforts to (i) prevent the issuance of any such stop order, and in the event of such issuance, to obtain the withdrawal of such order and (ii) obtain the withdrawal of any order suspending or preventing the use of any related Prospectus or Issuer Free Writing Prospectus or suspending qualification of any Registrable Securities included in such Registration Statement for sale in any jurisdiction at the earliest practicable date;

(n) provide a CUSIP number for the Registrable Securities prior to the effective date of the first Registration Statement including Registrable Securities;

(o) promptly notify in writing the participating Holders, the sales or placement agent, if any, therefor and the managing underwriters of the securities being sold, (i) when such Registration Statement or related Prospectus or Free Writing Prospectus or any Prospectus amendment or supplement or post effective amendment has been filed, and, with respect to any such Registration Statement or any post effective amendment, when the same has become effective and (ii) of any written comments by the Commission and by the blue sky or securities commissioner or regulator of any state with respect thereto;

(p) (i) prepare and file with the Commission such amendments and supplements to each Registration Statement as may be necessary to comply with the provisions of the Securities Act, including post effective amendments to each Registration Statement as may be necessary to keep such Registration Statement continuously effective for the applicable time period required hereunder and if applicable, file any Registration Statements pursuant to Rule 462(b) promulgated under the Securities Act; (ii) cause the related Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act; (iii) comply with the provisions of the Securities Act and the Exchange Act and any applicable securities exchange or other recognized trading market with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement as so amended or in such Prospectus as so supplemented; and (iv) provide additional information related to each Registration Statement as requested by, and obtain any required approval necessary from, the Commission or any Federal or state governmental authority;

(q) cooperate with each Holder of Registrable Securities and each underwriter, if any, participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with FINRA;

(r) within the deadlines specified by the Securities Act, make all required filing fee payments in respect of any Registration Statement or Prospectus used under this Agreement (and any offering covered thereby);

(s) if requested by any participating Holder of Registrable Securities or the managing underwriters, promptly include in a Prospectus supplement or amendment such information as the Holder or managing underwriters may reasonably request, including in order to permit the intended method of distribution of such securities, and make all required filings of such Prospectus supplement or such amendment as soon as reasonably practicable after the Company has received such request;

(t) in the case of certificated Registrable Securities, cooperate with the participating Holders of Registrable Securities and the managing underwriters to facilitate the timely preparation and delivery of certificates (not bearing any legends) representing Registrable Securities to be sold after receiving written representations from each participating Holder that the Registrable Securities represented by the certificates so delivered by such Holder will be transferred in accordance with the Registration Statement, and enable such Registrable Securities to be in such denominations and registered in such names as the Holders or managing underwriters may reasonably request at least two Business Days prior to any sale of Registrable Securities; provided that nothing in this Agreement shall require the Company to issue securities in certificated form unless such securities are already in certificated form; and

(u) use commercially reasonable efforts to take all other actions deemed necessary or advisable in the reasonable judgment of the Company to effect the registration and sale of the Registrable Securities contemplated hereby.

8. Registration Expenses.

(a) Expenses. All fees and expenses incurred by the Company in complying with Section 2 (subject to Section 2(c) of this Agreement), Section 3, Section 4, Section 6 and Section 7 of this Agreement ("***Registration Expenses***") will be borne by the Company. These fees and expenses will include without limitation (i) stock exchange, Commission, FINRA and other registration and filing fees, (ii) all fees and expenses incurred in connection with complying with any securities or blue sky laws (including reasonable fees, charges and disbursements of counsel in connection with blue sky qualifications of the Registrable Securities), (iii) all printing, messenger and delivery expenses, (iv) the fees, charges and disbursements of counsel to the Company and of its independent public accountants and any other accounting and legal fees, charges and expenses incurred by the Company (including any expenses arising from any special audits or "*comfort letters*" required in connection with or incident to any registration), and (v) the fees and expenses incurred in connection with the listing of the Registrable Securities on a National Securities Exchange.

(b) Reimbursement of Counsel. The Company will also reimburse or pay, as the case may be, the Holders of Registrable Securities included in such registration for the reasonable fees and out-of-pocket expenses of one counsel retained by the Holders of a majority of Registrable Securities included in such registration relating to any action taken pursuant to Section 2 of this Agreement within 30 days of presentation of a detailed invoice approved by such Holders.

(c) Payment of Certain Selling Expenses. All underwriting fees, discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities and all fees and expenses of more than one counsel representing the Holders selling Registrable Securities and otherwise not covered by Section 8(b) of this Agreement shall not be borne by the Company; provided, however, that fifty percent (50%) of the underwriting fees, discounts and selling commissions of underwritten offerings of Registrable Securities by Demand Holders hereunder, shall be borne by the Company.

9. [Reserved].

10. Indemnification; Contribution.

(a) Indemnification by the Company. The Company agrees to indemnify and hold harmless each Holder of Registrable Securities registered pursuant to this Agreement, such Holder's Affiliates, directors, officers, employees, members, managers, agents and any Person, if any, who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange

Act), and any underwriter that facilitates the sale of the Registrable Securities and any Person who controls such underwriter (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities and expenses ("***Losses***") to which they or any of them may become subject insofar as such Losses arise out of or are based upon (i) any untrue or alleged untrue statement of a material fact contained in a Registration Statement pursuant to which Registrable Securities were registered, Prospectus, preliminary prospectus or Issuer Free Writing Prospectus included in any such Registration Statement, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in the case of any Prospectus, preliminary prospectus or Issuer Free Writing Prospectus, in light of the circumstances under which they were made, to make the statements therein not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact in the information conveyed in writing by the Company to any purchaser at the time of the sale to such purchaser, or the omission or alleged omission to state therein a material fact required to be stated therein, or (iii) any violation by the Company of any federal or state rule or regulation applicable to the Company and relating to any action required of or inaction by the Company in connection with any such offering of Registrable Securities, and the Company agrees to reimburse each such indemnified party for any reasonable legal or other reasonable out-of-pocket expenses incurred by them in connection with investigating or defending any such Losses (whether or not the indemnified party is a party to any proceeding); provided, however, that the Company will not be liable in any case to the extent that any such Loss arises (i) out of or is based upon any such untrue or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company by or on behalf of any such Holder specifically for inclusion therein, including, without limitation, any notice and questionnaire, or (ii) out of sales of Registrable Securities made during a Suspension Period after notice is given pursuant to Section 5(a) hereof. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Indemnification by the Holders. Each Holder severally (and not jointly) agrees to indemnify and hold harmless the Company and each of its Affiliates, directors, employees, members, managers, agents and each Person who controls the Company (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act), and any underwriter that facilitates the sale of Registrable Securities and any Person who controls such underwriter (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) to the fullest extent permitted by applicable law, from and against any and all Losses to which they or any of them may become subject insofar as such Losses arise out of or are based upon any untrue or alleged untrue statement of a material fact contained in a Registration Statement pursuant to which Registrable Securities were registered, Prospectus, preliminary prospectus, Issuer Free Writing Prospectus or Holder Free Writing Prospectus included in any such Registration Statement, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in the case of any Prospectus, preliminary prospectus, Issuer Free Writing Prospectus or Holder Free Writing prospectus, in light of the circumstances under which they were made, to make the statements therein not misleading, to the extent, but only to the extent (except with respect to a Holder Free Writing Prospectus), that any such untrue statement or alleged untrue statement or omission or alleged omission is contained in any written information furnished to the Company by or on behalf of such Holder specifically for inclusion therein; provided, however, that the total amount to be indemnified by such Holder pursuant to this Section 9(b) shall be limited to the net proceeds (after deducting underwriters' discounts and commissions) received by such Holder in the offering to which such Registration Statement, Prospectus, preliminary prospectus or Free Writing Prospectus relates; provided, further, that a Holder shall not be liable in any case to the extent that prior to the filing of any such Registration Statement, Prospectus, preliminary prospectus or Issuer Free Writing Prospectus or any amendment thereof or supplement thereto, each Holder has furnished in writing to the Company, information expressly for use in, and within a reasonable period of time prior to the effectiveness of such Registration Statement or the use of the Prospectus, preliminary prospectus or Issuer Free Writing Prospectus, or any amendment thereof or supplement thereto which corrected or made not misleading information previously provided to the Company. This indemnity agreement will be in addition to any liability which any such Holder may otherwise have.

(c) Conduct of Indemnification Proceedings. Promptly after receipt by an indemnified party under this Section 10 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 10, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under Section 10(a) or Section 10(b) above unless and to the extent such action and such failure results in material prejudice to the indemnifying party and forfeiture by the indemnifying party of substantial rights and defenses; and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in Section 10(a) or Section 10(b) above. The indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, except as provided in the next sentence, after notice from the indemnifying party to such indemnified party of its election to so assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal expenses of other counsel or any other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. Notwithstanding the indemnifying party's rights in the prior sentence, the indemnified party shall have the right to employ its own counsel (and any local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if:

(i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with an actual or potential conflict of interest;

(ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party;

(iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or

(iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. No indemnifying party shall, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general circumstances or allegations, be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all indemnified parties. An indemnifying party shall not be liable under this Section 10 to any indemnified party regarding any settlement or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent is consented to by such indemnifying party, which consent shall not be unreasonably withheld. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party (which consent shall not be unreasonably withheld), consent to entry of any judgment or enter into any settlement or compromise unless such settlement or compromise (x) includes as an unconditional term thereof the giving by the claimant or plaintiff therein, to such indemnified party, of a full and final release from all liability in respect to such claim or litigation and (y) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of such indemnified party.

(d) Contribution.

(i) In the event that the indemnity provided in Section 10(a) or Section 10(b) above is unavailable to or insufficient to hold harmless an indemnified party for any reason, then each applicable indemnifying party agrees to contribute to the aggregate Losses (including reasonable legal or other reasonable out-of-pocket expenses incurred in connection with investigating or defending same) to which such indemnifying party may be subject in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party on the one hand and by the indemnified party on the other from the offering of the New Common Stock. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the indemnifying party on the one hand and the indemnified party on the other in connection with the statements or omissions which resulted in such Losses, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party on the one hand or the indemnified party on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(ii) The parties agree that it would not be just and equitable if contribution pursuant to this Section 10(d) were determined by *pro rata* allocation (even if the Holders of Registrable Securities or any agents or underwriters or all of them were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 10(d). The amount paid or payable by an indemnified party as a result of the Losses referred to above in this Section 10(d) shall be deemed to include any reasonable legal or other reasonable out-of-pocket expenses incurred by such indemnified party in connection with investigating or defending any such action or claim.

(iii) Notwithstanding the provisions of this Section 10(d), no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(iv) For purposes of this Section 10, each Person who controls any Holder of Registrable Securities, agent or underwriter (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and each director, officer, employee and agent of any such Holder, agent or underwriter shall have the same rights to contribution as such Holder, agent or underwriter, and each Person who controls the Company (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and each officer and director of the Company shall have the same rights to contribution as the Company, subject in each case to the applicable terms and conditions of this Section 10(d).

(v) To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 10 to the fullest extent permitted by law; provided, however, that (i) no Person involved in the sale of Registrable Securities which Person is guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) in connection with such sale shall be entitled to contribution from any Person involved in such sale of Registrable Securities who was not guilty of fraudulent misrepresentation; and (ii) contribution by any seller of Registrable Securities shall be limited in amount to the net amount of proceeds received by such seller from the sale of such Registrable Securities pursuant to such Shelf Registration.

(e) The provisions of this Section 10 will remain in full force and effect, regardless of any investigation made by or on behalf of any Holder of Registrable Securities or the Company or any of the officers, directors or controlling Persons referred to in this Section 10 hereof, and will survive the transfer of Registrable Securities.

11. Participation in Underwritten Offering/Sale of Registrable Securities.

(a) No Person may participate in any underwritten offering hereunder unless such Person (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements in customary form entered into pursuant to this Agreement and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements or otherwise customary; provided that no Holder of Registrable Securities included in any underwritten registration shall be required to make any representations or warranties to the Company or the underwriters (other than (A) representations and warranties regarding (1) such Holder's ownership of its Registrable Securities to be sold or transferred, (2) such Holder's power and authority to effect such transfer, and (3) such matters pertaining to compliance with securities laws as may be reasonably requested by the Company or the underwriters, and (B) such other representations, warranties and other provisions relating to such Holder's participation in such offering as may be reasonably requested by the underwriters) or to undertake any indemnification obligations to the Company with respect thereto, except as otherwise provided in Section 10(b) hereof, or to the underwriters with respect thereto, except to the extent of the indemnification being given to the underwriters and their controlling persons in Section 10(b) hereof.

(b) Each selling Holder will be deemed to have agreed that, upon receipt of any notice from the Company of the occurrence of any event of the type described in Section 7(f)(i)(A), (B), (C) and (D) or the happening of an event specified in Section 5(a), such Holder will discontinue disposition of Registrable Securities covered by a Registration Statement, Prospectus or Issuer Free Writing Prospectus and suspend use of such Prospectus or Issuer Free Writing Prospectus until the earlier to occur of such Holder's receipt of (i) copies of the supplemented or amended Prospectus or Issuer Free Writing Prospectus contemplated by Section 7(f)(ii) and Section 5(a), as applicable, and (ii) (A) notice from the Company that the use of the applicable Prospectus or Issuer Free Writing Prospectus may be resumed and (B) copies, if applicable, of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Issuer Free Writing Prospectus.

12. Free Writing Prospectus.

Each Holder represents that it has not prepared or had prepared on its behalf or used or referred to, and agrees that it will not prepare or have prepared on its behalf or used or refer to, any Free Writing Prospectus, and has not distributed and will not distribute any written materials in connection with the offer or sale of New Common Stock without the prior written consent of the Company and, in connection with any underwritten offering, the underwriters. Any such Free Writing Prospectus consented to by the Company and the underwriters, as the case may be, is hereinafter referred to as a "Permitted Free Writing Prospectus." The Company represents and agrees that it has treated and will treat, as the case may be, each Permitted Free Writing Prospectus as an Issuer Free Writing Prospectus, including in respect of timely filing with the Commission, legending and record keeping

13. Information from Holders.

(a) Each selling Holder that has requested inclusion of its Registrable Securities in any Registration Statement shall furnish to the Company such information regarding such Holder and its plan and method of distribution of such Registrable Securities as the Company may, from time to time, reasonably request in writing. The Company may refuse to proceed with the registration of such Holder's Registrable Securities if such Holder unreasonably fails to furnish such information within a reasonable time after receiving such request.

(b) Each selling Holder will promptly (i) following its actual knowledge thereof, notify the Company of the occurrence of any event that makes any statement made in a Registration Statement, Prospectus or Issuer Free Writing Prospectus regarding such selling Holder untrue in any material respect or that requires the making of any changes in a Registration Statement, Prospectus or Issuer Free Writing Prospectus so that, in such regard, it will not contain any untrue statement of a material fact or omit any material fact required to be stated therein or necessary to make the statements not misleading and (ii) provide the Company with such information as may be required to enable the Company to prepare a supplement or post-effective amendment to any Registration Statement or a supplement to such Prospectus or Issuer Free Writing Prospectus.

14. [Reserved.]

15. Private Placement.

Except for Sections 5 and 6, the Company agrees that nothing in this Agreement shall prohibit the Holders, at any time and from time to time, from selling or otherwise transferring Registrable Securities pursuant to a private placement or other transaction which is not registered pursuant to the Securities Act.

16. Rule 144

With a view to making available certain rules and regulations of the Commission that may permit the sale of the Registrable Securities to the public without registration, until such date as no Holder owns any Registrable Securities, the Company agrees to (a) use commercially reasonable efforts to continue to file in a timely manner all reports and other documents required, if any, to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted thereunder and (b) make available information necessary to comply with Rule 144 and Rule 144A, if available, with respect to resales of the Registrable Securities under the Securities Act, at all times, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 and Rule 144A (if available with respect to resales of the Registrable Securities) (ii) Regulation S promulgated under the Securities Act, as may be amended from time to time, or (iii) any other similar rules or regulations now existing or hereafter adopted by the Commission and (c) upon the reasonable request of any Holder of Registrable Securities, the Company will deliver to such Holder a written statement as to whether the Company has complied with such information requirements, and, if not, the specific reasons for non-compliance.

17. Transfer of Registration Rights.

The rights of a Holder hereunder may be transferred, assigned, or otherwise conveyed in connection with any transfer, assignment, or other conveyance of Registrable Securities to any transferee or assignee; provided that all of the following additional conditions are satisfied with respect to any transfer, assignment or conveyance of rights hereunder: (a) such transfer or assignment is effected in accordance with applicable securities laws; (b) such transferee or assignee agrees in writing to become subject to the terms of this Agreement by executing and delivering to the Company a joinder agreement in the form attached hereto as Annex A; and (c) the Company is given written notice by such Holder within 10 Business Days of such transfer or assignment, stating the name and address of the transferee or assignee, identifying the Registrable Securities with respect to which such rights are being transferred or assigned and the total number of Registrable Securities and other equity securities of the Company beneficially owned by such transferee or assignee.

18. Amendment, Modification and Waivers; Further Assurances.

(a) Amendment. This Agreement may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions of this Agreement may be waived, only by a written instrument, (a) signed by (i) the Company, and (ii) a majority of Demand Holders; provided, that no provision of this Agreement shall be modified or amended in a manner that is disproportionately materially adverse to any Holder, without the prior written consent of such Holder, as applicable, or (b) in the case of a waiver, by the party hereto waiving compliance.

(b) Changes in New Common Stock. If, and as often as, there are any changes in the New Common Stock by way of stock split, stock dividend, combination or reclassification, or through merger, consolidation, reorganization or recapitalization, or by any other means, appropriate adjustment shall be made in the provisions hereof as may be required so that the rights and privileges granted hereby shall continue with respect to the Registrable Securities as so changed and the Company shall make appropriate provision in connection with any merger, consolidation, reorganization or recapitalization that any successor to the Company (or resulting parent thereof) shall agree, as a condition to the consummation of any such transaction, to expressly assume the Company's obligations hereunder.

(c) Effect of Waiver. No waiver of any terms or conditions of this Agreement shall operate as a waiver of any other breach of such terms and conditions or any other term or condition, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof. No written waiver hereunder, unless it by its own terms explicitly provides to the contrary, shall be construed to effect a continuing waiver of the provisions being waived and no such waiver in any instance shall constitute a waiver in any other instance or for any other purpose or impair the right of the party against whom such waiver is claimed in all other instances or for all other purposes to require full compliance with such provision. The failure of any party to enforce any provision of this Agreement shall not be construed as a waiver of such provision and shall not affect the right of such party thereafter to enforce each provision of this Agreement in accordance with its terms.

(d) Further Assurances. Each of the parties hereto shall execute all such further instruments and documents and take all such further action as any other party hereto may reasonably require in order to effectuate the terms and purposes of this Agreement.

19. Miscellaneous.

(a) Successors and Assigns. All covenants and agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit of purchasers or Holders of Registrable Securities are also for the benefit of, and enforceable by, any subsequent Holder of Registrable Securities. No assignment of this Agreement by the Company, or any of the Company's rights, interests or obligations hereunder, shall be effective against any Holder without the prior written consent of such Holder (not to be unreasonably withheld).

(b) Remedies; Specific Performance. Any Person having rights under any provision of this Agreement shall be entitled to enforce such rights specifically, to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights existing in their favor. The parties hereto agree and acknowledge that money damages would not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive relief (without posting any bond or other security) in order to enforce or prevent violation of the provisions of this Agreement and shall not be required to prove irreparable injury to such party or that such party does not have an adequate remedy at law with respect to any breach of this Agreement (each of which elements the parties admit). The parties hereto further agree and acknowledge that each and every obligation applicable to it contained in this Agreement shall be specifically enforceable against it and hereby waives and agrees not to assert any defenses against an action for specific performance of their respective obligations hereunder. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies available under this Agreement or otherwise.

(c) Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when (i) delivered personally to the recipient, (ii) emailed or sent by facsimile to the recipient, or (iii) one Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid). Such notices, demands and other communications shall be sent to the Company at the address set forth below and to any Holder of Registrable Securities at the address set forth on the signature page hereto (with copies sent at the address set forth below), or at such address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party.

(A) If to the Company, to:

Forbes Energy Services Ltd
3000 South Business Highway 281
Alice, Texas 78332
Attention: L. Melvin Cooper
Email: mcooper@forbesenergyservices.com

With a copy (which shall not constitute notice) to:

Winstead PC (as counsel to the Company)
24 Waterway Avenue, Suite 500
The Woodlands, Texas 77380
Facsimile: (281) 681-5901
Attention: R. Clyde Parker, Jr.
Email: cparker@winstead.com

(B) If to the Holders, to:

Fried, Frank, Harris, Shriver & Jacobson LLP

One New York Plaza
New York, New York 10004
Facsimile: (212) 299-6650
Attention: Brad Eric Scheler and Matthew Roose
Email: Brad.Eric.Scheler@friedfrank.com and Matthew.Roose@friedfrank.com

If any time period for giving notice or taking action hereunder expires on a day which is a Saturday, Sunday or legal holiday in the State of New York or the jurisdiction in which the Company's principal office is located, the time period shall automatically be extended to the Business Day immediately following such Saturday, Sunday or legal holiday.

(d) No Inconsistent Agreements. The Company shall not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the Holders of Registrable Securities in this Agreement.

(e) Adjustments Affecting Registrable Securities. The Company shall not take any action, or permit any change to occur, with respect to its securities which would materially and adversely affect the ability of the Holders of Registrable Securities to include such Registrable Securities in a registration undertaken pursuant to this Agreement or which would materially and adversely affect the marketability of such Registrable Securities in any such registration (including effecting a stock split or a combination of shares).

(f) Counterparts. This Agreement may be executed in one or more counterparts, and may be delivered by means of facsimile or electronic transmission in portable document format ("***pdf***"), each of which shall be deemed to be an original and shall be binding upon the party who executed the same, but all of such counterparts shall constitute the same agreement.

(g) Descriptive Headings; Interpretation; No Strict Construction. The descriptive headings of this Agreement are inserted for convenience only and do not constitute a substantive part of this Agreement. Whenever required by the context, any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular forms of nouns, pronouns, and verbs shall include the plural and vice versa. Reference to any agreement, document, or instrument means such agreement, document, or instrument as amended or otherwise modified from time to time in accordance with the terms thereof, and, if applicable, hereof. The words "*include,*" "*includes*" or "*including*" in this Agreement shall be deemed to be followed by "*without limitation.*" The use of the words "*or,*" "*either*" or "*any*" shall not be exclusive. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. All references to laws, rules, regulations and forms in this Agreement shall be deemed to be references to such laws, rules, regulations and forms, as amended from time to time or, to the extent replaced, the comparable successor thereto in effect at the time. All references to agencies, self-regulatory organizations or governmental entities in this Agreement shall be deemed to be references to the comparable successors thereto from time to time.

(h) Delivery by Facsimile and Electronic Means. This Agreement, the agreements referred to herein, and each other agreement or instrument entered into in connection herewith or therewith or contemplated hereby or thereby, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or other electronic means, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto shall re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument shall raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation or enforceability of a contract and each such party forever waives any such defense.

(i) Arm's Length Agreement. Each of the parties to this Agreement agrees and acknowledges that this Agreement has been negotiated in good faith, at arm's length, and not by any means prohibited by law.

(j) Sophisticated Parties; Advice of Counsel. Each of the parties to this Agreement specifically acknowledges that (i) it is a knowledgeable, informed, sophisticated Person capable of understanding and evaluating the provisions set forth in this Agreement and (ii) it has been fully advised and represented by legal counsel of its own independent selection and has relied wholly upon its independent judgment and the advice of such counsel in negotiating and entering into this Agreement.

(k) Notification of Status. Each Holder shall provide written notice to the Company within ten Business Days from the first day on which the Holder no longer holds Registrable Securities.

(l) Governing Law. This Agreement and the exhibits, attachments and annexes hereto shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) to the extent such rules or provisions would cause the application of the laws of any jurisdiction other than the State of New York.

(m) Submission to Jurisdiction. Any action, suit or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby must be brought in the United States District Court for the Southern District of New York or any New York state court, in each case, located in the Borough of Manhattan, and each party consents to the exclusive jurisdiction and venue of such courts (and of the appropriate appellate courts therefrom) in any such action, suit or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such, action, suit or proceeding in any such court or that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(n) Waiver of Jury Trial. Each of the parties to this Agreement hereby agrees to waive its respective rights to a jury trial of any claim or cause of action based upon or arising out of this Agreement. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this Agreement, including contract claims, tort claims and all other common law and statutory claims. Each party hereto acknowledges that this waiver is a material inducement to enter into this Agreement, that each has already relied on this waiver in entering into this Agreement, and that each will continue to rely on this waiver in their related future dealings. Each party hereto further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 19(n) AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

(o) Complete Agreement. This Agreement and any certificates, documents, instruments and writings that are delivered pursuant hereto, represent the complete agreement among the parties hereto as to all matters covered hereby, and supersedes any prior agreements or understandings among the parties with respect thereto.

(p) Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

(q) Termination. The obligations of the Company and of any Holder, other than those obligations contained in Section 10 hereof, shall terminate with respect to the Company and such Holder if (A) such Holder no longer holds any Registrable Securities or (B) such Holder no longer holds or beneficially owns at least 2% of the outstanding New Common Stock, but only if such Holder is not an "affiliate" for purposes of Rule 144 (and has not been an "affiliate" during the preceding three months and at least one year has elapsed since the Registrable Securities were acquired from the Company or an "affiliate" of the Company).

(r) Opt-Out Requests. Each Holder shall have the right, at any time and from time to time (including after receiving information regarding any potential public offering), to elect to not receive any notice that the Company or any other Holders otherwise are required to deliver pursuant to this Agreement by delivering to the chief financial officer of the Company a written statement signed by such Holder that it does not want to receive any notices hereunder (an "***Opt-Out Request***"); in which case and notwithstanding anything to the contrary in this Agreement the Company and other Holders shall not be required to, and shall not, deliver any notice or other information required to be provided to Holders hereunder to the extent that the Company or such other Holders reasonably expect would result in a Holder acquiring material non-public information within the meaning of Regulation FD promulgated under the Exchange Act. An Opt-Out Request may state a date on which it expires or, if no such date is specified, shall remain in effect indefinitely. A Holder who previously has given the Company an Opt-Out Request may revoke such request at any time, and there shall be no limit on the ability of a Holder to issue and revoke subsequent Opt-Out Requests; provided that each Holder shall use commercially reasonable efforts to minimize the administrative burden on the Company arising in connection with any such Opt-Out Requests.

(s) Limitations on Registration of Other Securities; Representation. From and after the date of this Agreement, for so long as Registrable Securities are held by a Holder that exceeds 1% of the then-outstanding shares of New Common Stock, the Company shall not, without the prior written consent of Holders holding more than 50% of the Demand Holders, enter into any agreement with any holder or prospective holder of any securities of the Company giving such holder or prospective holder any registration rights the terms of which are more favorable than or on parity with the registration rights granted to the Holders hereunder.

(t) Deemed Underwriter. The Company agrees that, if any Holder or any of its affiliates (each a "***Holder Entity***") could, after consultation with counsel, reasonably be deemed to be an "underwriter," as defined in Section 2(a)(11) of the Securities Act, in connection with any registration of the Company's securities of any Holder Entity pursuant to this Agreement, and any amendment or supplement thereof (any such registration statement or amendment or supplement a "***Holder Underwriter Registration Statement***"), then the Company will reasonably cooperate with such Holder Entity in allowing such Holder Entity to conduct customary "underwriter's due diligence" with respect to the Company and satisfy its obligations in respect thereof; provided however, that the Company will cooperate only to the extent it determines that such diligence would not be expected to unreasonably interfere with the business or operations of the Company. In addition, at Holder's reasonable request, the Company will use its commercially reasonable efforts to, on the date of the effectiveness of any Holder Underwriter Registration Statement, (i) cause the Company's independent certified public accountants to furnish to Holder and the Company, a letter, dated such date, from the Company's independent certified public accountants in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering, addressed to Holder, and (ii) cause counsel representing the Company to furnish an opinion, dated as of such date, for purposes of such Holder Underwriter Registration Statement, in form, scope and substance as is customarily given in an underwritten public offering, including, without limitation, a standard "10b-5" opinion for such offering, addressed to Holder. The Company will also and use its commercially reasonable efforts to provide legal counsel to such Holder with an opportunity to review and comment upon any such Holder Underwriter Registration Statement, and any amendments and supplements thereto, prior to its filing with the Commission, and not file any Holder Underwriter Registration Statement or amendment or supplement thereto in a form to which such Holder's legal counsel reasonably objects.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Registration Rights Agreement as of the date first written above.

FORBES ENERGY SERVICES LTD

By: ______________________________
Name:
Title:

[HOLDER]

By: ______________________________
Name:
Title:

ANNEX A

Form of Joinder Agreement

THIS JOINDER AGREEMENT is made and entered into by the undersigned with reference to the following facts:

Reference is made to the Registration Rights Agreement, dated as of April [ ], 2017, as amended (the "***Registration Rights Agreement***"), by and among Forbes Energy Services Ltd., a Delaware corporation (the "***Company***") and the parties identified as "***Holders***" on the signature page thereto. "***Holder***" means (i) each Holder identified on the signature page thereto and (ii) any parties identified on the signature page of any joinder agreements executed and delivered pursuant to Section 17 thereof. Capitalized terms used but not defined in this Joinder Agreement shall have the meanings ascribed thereto in the Registration Rights Agreement.

As a condition to the acquisition of rights under the Registration Rights Agreement in accordance with the terms thereof, the undersigned agrees as follows:

1. The undersigned hereby agrees to be bound by the provisions of the Registration Rights Agreement and undertakes to perform each obligation as if a Holder thereunder and an original signatory thereto in such capacity.

2. This Joinder Agreement shall bind, and inure to the benefit of, the undersigned hereto and its respective devisees, heirs, personal and legal representatives, executors, administrators, successors and assigns.

3. This Joinder Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of New York or any other jurisdiction) to the extent such rules or provisions would cause the application of the laws of any jurisdiction other than the State of New York.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement this [ ] day of [ ], 201[ ].

(Print Name of Holder)

By: ______________________________
Name:
Title:

Address: ______________________
____
____
____

Phone Number: ______________________

Facsimile Number: ______________________

Email for Notice: ______________________

I.R.S. I.D. Number: ______________________

Amount of Registrable Securities Acquired: ______________________

EXHIBIT F

Rejected Executory Contracts and Unexpired Leases

Rejection Schedule

Legal Entity	Contract Counter Party	Contract Description
TX Energy Services, LLC	5-L Ranch, LP 110 DELAWARE Laredo, TX 78041	Salt Water Disposal Lease Agreement Contract Date : 04/27/2005
TX Energy Services, LLC	Gregoria Trevinio Ind & Trustee Geronimo Trevino Jr Residuary Trust 1121 Cortez Laredo, TX 78041	Non Residential Real Property Lobo Gill, F J SWD Well Contract Date : 04/01/2013
Forbes Energy Services Ltd.; Forbes Energy Services LLC; C.C. Forbes, LLC; TX Energy Services, LLC; Forbes Energy International, LLC	J&R Contractors PO B0x 4024 Zapata, TX 78076	Non Residential Real Property Surface Lease Contract Date : 01/02/2008
Forbes Energy Services Ltd.; Forbes Energy Services LLC; C.C. Forbes, LLC; TX Energy Services, LLC; Forbes Energy International, LLC	McChristian, David 2037 NW Stalling Nacogdoches, TX 75964	Salt Water Disposal Agreement Contract Date : 07/01/2010
Forbes Energy Services Ltd.; Forbes Energy Services LLC; C.C. Forbes, LLC; TX Energy Services, LLC; Forbes Energy International, LLC	McChristian, Elmer 1316 NW Stallings Dr. Nacogdoches, TX 75964	Salt Water Disposal Agreement Contract Date : 07/01/2010
Forbes Energy Services Ltd.; Forbes Energy Services LLC; C.C. Forbes, LLC; TX Energy Services, LLC; Forbes Energy International, LLC	Whitaker, Taylor 1509 Tyler Rd. Nacogdoches, TX 75964	Salt Water Disposal Agreement Contract Date : 07/01/2010
CC Forbes, LLC	Juan M. Vela P.O. Box 494 Zapata, TX 78076	Salt Water Disposal Surface/Subsurface Lease and Agreement
CC Forbes, LLC	F & F Disposal Lease, LLC 1901 Lincoln Street Zapata, TX 78076 Attention: Danny Flores	Salt Water Disposal Surface/Subsurface Lease and Agreement

EXHIBIT G

Disclosure of Directors of Reorganized Parent and Officers of Reorganized Debtors and Nature of Compensation Payable Thereto

Directors

1. **John E. Crisp (Chairman) –** Mr. Crisp has been the Chairman of the Board of Directors, President and Chief Executive Officer of the Debtors since April 11, 2008. Mr. Crisp has over 31 years of oilfield services industry experience and has on three separate occasions built and later sold oilfield service businesses.
2. **Lawrence "Larry" First –** Mr. First is the Chief Investment Officer of Ascribe III Investments LLC and Ascribe II Investments LLC, two funds that beneficially own existing Senior Unsecured Notes. Prior to joining Ascribe Capital in 2008, Mr. First was a Managing Director and Co-Portfolio Manager in Merrill Lynch's Principal Credit Group and a senior partner in the Bankruptcy and Restructuring department of a nationally recognized law firm.
3. **Brett G. Wyard –** Mr. Wyard is a Managing Partner of Solace Capital Partners, L.P., the investment manager of Solace Capital Special Situations Fund, L.P., a fund that beneficially owns existing Senior Unsecured Notes. Prior to co-founding Solace, Mr. Wyard was with the Carlyle Group where he was involved with the raising and investing of $1.9 billion as a Global Partner, Managing Director and Co-head of Carlyle Strategic Partners. Prior to that, Mr. Wyard was Managing Director at Oaktree Capital Management. Mr. Wyard has over 25 years of experience as a private equity and distressed debt investor and as a financial advisor specializing in financial restructurings, M&A and investment banking.
4. **Rome Arnold –** Mr. Arnold is a Senior Advisor at Rose and Co. where he advises a financial technology startup and is responsible for marketing to oilfield service companies. Mr. Arnold has over 25 years of experience providing financial and strategic investment banking advice to the energy industry. Mr. Arnold has no prior relationship with the Debtors.
5. **Paul S. Butero –** Mr. Butero serves as the Executive Chairman of Laney Directional Drilling. Prior to joining Laney, Mr. Butero was the President and Chief Executive Officer of Nine Energy Service, a SCF Partners OFS portfolio company focused on the completion phase of resource development. Mr. Butero spent over 32 years with Baker Hughes Incorporated, last serving as President of US Land Operations. Mr. Butero has no prior relationship with the Debtors.

Mr. Arnold will be the audit committee chair and Mr. Butero will be an audit committee member.

Each of the Directors, except Mr. Crisp, will be compensated at the rate of $125,000 per annum. In addition, the Directors, except Mr. Crisp, may receive compensation in the form of New Common Stock at an amount to be determined at a later date. Mr. Crisp will be compensated in accordance with his Management Employment Agreement filed with this Plan Supplement.

The Reorganized Parent may appoint a sixth and/or seventh Director to the extent required in order to list the New Common Stock on certain equity exchanges. Such Director(s) will be selected by in accordance with the terms of the Restructuring Support Agreement with the assistance of a search firm and will have no prior relationship with the Debtors (i.e., such Director(s) will be independent). The compensation for such Director(s) will be substantially the same as the compensation for the Directors disclosed above. To the extent the Debtors appoint additional Director(s) prior to the Effective Date, the Debtors will disclose the identity of such Director(s) to the Bankruptcy Court.

Officers

The officers of the Reorganized Debtors are John E. Crisp, Charles C. Forbes, Jr., L. Melvin Cooper, and Steve Macek. The titles and compensation of each such officer are identified in such officer's Management Employment Agreement filed with this Plan Supplement.

EXHIBIT H

Preserved Causes of Action of Debtors Against Third Parties

Various collection actions against third parties, including but not limited to the following parties: Bervin Hatton, North Wind Oil & Gas, Crystal River Oil & Gas LLC, Ranger Oil & Gas, Midas Resources, Ranger Oil & Gas, Duval Maple Leaf I, Welder Exploration, CWS Aceite, Alms, Mar Oil & Gas, Platinum PTS, XOG Operating, Welder Exploration, Steamroller Energy, H.P. Ellsworth, Pro Tech EIS, Heritage Standard Corp., AIX Energy, Inc., Black Elk Energy Offshore Operations LLC, Disposal Tejas, LLC, FAOC Operating LLC, La Sara Operating Co. LLC, Pan American Operating LLC, Primera Energy, LLC, Argent Energy Holdings, C-VAC, LLC, Energy & Exploration Partners, Inc., New Gulf Resources, LLC, Trinity Environmental Services LLC, My Petro American Oilfield Services, LLC, and Miguel Angel Rosa Melendez.

Breach of contract actions against Hermitage Insurance Co. and Higginbotham Insurance Agency.

Property damage actions against Basic Energy Services and Nasario Sanchez.

Any other affirmative claims against any third party.

[_________ __], 2017

Regions Bank
1717 McKinney Avenue, Suite 1100
Dallas, TX 75202
Attention: Account Manager: Forbes
Facsimile: 972-383-7505

Re: Agreement regarding Cash Collateral and Letters of Credit

Ladies and Gentlemen:

Reference is hereby made to that certain Loan and Security Agreement, dated September 9, 2011 (as previously amended, the "Loan Agreement") among FORBES ENERGY SERVICES LLC, a limited liability company formed under the laws of the State of Delaware ("Energy Services"), TX ENERGY SERVICES, LLC, a limited liability company formed under the laws of the State of Delaware ("TX Energy"), C.C. FORBES, LLC, a limited liability company formed under the laws of the State of Delaware and successor by merger to SUPERIOR TUBING TESTERS, LLC, a limited liability company formed under the laws of the State of Delaware ("C.C."), FORBES ENERGY INTERNATIONAL, LLC, a limited liability company formed under the laws of the State of Delaware ("International"), FORBES ENERGY SERVICES LTD., a Texas corporation ("Parent"; and together with Energy Services, TX Energy, C.C. and International, each a "Loan Party" and, collectively, the "Loan Parties"), certain lenders from time to time ("Lenders"), and REGIONS BANK, an Alabama bank organized under the laws of the State of Alabama (in its individual capacity, "Regions"), as agent for such Lenders and other Secured Parties (as such term is defined in the Loan Agreement) (Regions, in such capacity, the "Agent").

Reference is further made to (i) the letters of credit issued by Regions as Issuer under the Loan Agreement and outstanding as of the date hereof (the "Existing Letters of Credit") which are described further on Exhibit A attached hereto in the aggregate face amount of $[_____________] and (ii) that certain payoff confirmation letter dated as of the date hereof by and among Agent and the Loan Parties (the "Payoff Letter").

The Loan Parties have agreed to deliver this letter agreement in order to, among other things, set out the terms governing the use of cash collateral for certain obligations of the Loan Parties owing to Regions from time to time. In consideration of the premises, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), each of the Loan Parties and Regions hereby agrees as follows:

1. Capitalized Terms. Except as otherwise defined herein, the following terms have the meanings ascribed to them in this Section 1:

"Bank Products" means all bank, banking, financial, and other similar or related products and services provided by Regions or any affiliate thereof to any Loan Party or any subsidiary thereof, including, without limitation, (a) merchant card services, credit cards or stored value cards, and purchasing cards; (b) cash management or related services, including, without limitation, the automated clearing house ("ACH") transfers of funds and any other ACH services, remote deposit capture services, account reconciliation services, lockbox services, depository and checking services, fraud protection services, deposit accounts, securities accounts, controlled disbursement services, and wire transfer services; (c) bankers' acceptances, drafts, documentary services and foreign currency exchange services; (d) hedge and swap agreements; (e) supply chain finance arrangements; (f) insurance; (g) leases; (h) treasury, cash management or related services (including the ACH processing of electronic funds transfers through the direct Federal Reserve Fedline system); and (i) return items, netting, overdraft and interstate depositary network services.

"Bank Product Agreement" shall mean any agreement or document evidencing or providing for any Bank Product by Regions or its affiliates to any Loan Party or subsidiary thereof, including any PCard Document.

"Bank Product Obligations" shall mean all obligations, liabilities, contingent reimbursement obligations, fees, and expenses owing by any Loan Party to Regions or any affiliate thereof pursuant to or evidenced by the Bank Product Agreements and this letter agreement (including any indemnitees and obligations for reimbursement of expenses arising hereunder) and irrespective of whether for the payment of money, whether direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, and including all such amounts that any Loan Party is obligated to reimburse to Regions or any affiliate a result of such person purchasing participations or executing indemnities or reimbursement obligations with respect to the Bank Products provided pursuant to the Bank Product Agreements.

"LC Agreement" means each Agreement for Irrevocable Standby Letter of Credit at any time executed by any Loan Party, in the form attached hereto as Exhibit B (as such form may be updated from time to time by Regions) or a substantially similar form providing for an agreement in respect of letters of credit between any Loan Party and Regions.

"LC Application" means any application or request for a letter of credit by any Loan Party delivered to Regions including, without limitation, each standby letter of credit application at any time executed by any Loan Party, in the form attached hereto as Exhibit C (as such form may be updated from time to time by Regions) or a substantially similar form.

"LC Obligations" means, at any time of determination, the sum of (a) all amounts owing by Loan Parties for any drawings under Letters of Credit, including any reimbursement obligations, (b) the aggregate undrawn amount of all outstanding Letters of Credit, (c) all sums owing to Regions or any affiliate pursuant to any LC Document and (d) all obligations of the Loan Parties arising hereunder, including any indemnitees and obligations for reimbursement of expenses.

"Letters of Credit" means, collectively, all letters of credit issued by Regions, in any capacity, for or on the account of any Loan Party at any time including, without limitation, each Existing Letter of Credit, and, in each case, as at any time amended, modified, renewed, extended or supplemented.

"LC Documents" means, collectively, all agreements, instruments and other documents executed in connection with the issuance of any Letter of Credit (excluding, for the avoidance of doubt, the Loan Agreement), including, without limitation, each LC Application and each LC Agreement.

"PCard Obligations" shall mean all indebtedness, liabilities and other obligations owing by the Loan Parties in connection with the PCard Product, including all repayment, indemnity and reimbursement obligations.

2. Conditions Precedent. The effectiveness of this letter agreement shall be subject to the satisfaction (or written waiver by Regions) of each of the following conditions precedent: (i) the Effective Date (as defined in the Payoff Letter) shall have occurred; (ii) this letter agreement shall be duly executed by each Loan Party and Regions; (iii) the authorized officers of the Loan Parties shall deliver a certificate of resolutions in the form attached hereto as Exhibit D on the date hereof; and (iv) Regions shall have received a disclaimer letter in form and substance satisfactory to Regions from a duly authorized agent or other representative for the secured lenders of the Loan Parties disclaiming all right, title and interest to the Cash Collateral.

3. Existing Letters of Credit. Regions as Issuer under and as defined in the Loan Agreement issued the Existing Letters of Credit. Pursuant to the Payoff Letter, the Loan Parties intend to repay certain indebtedness outstanding in connection with the Loan Agreement and to terminate the Loan Agreement, in each case pursuant to the terms thereof. From and after the date hereof, all Existing Letters of Credit shall be deemed to be issued and outstanding, and to constitute Letters of Credit, under this letter agreement and all shall be subject to all of the terms and conditions hereof and the LC Documents executed at any time with respect to such Existing Letters of Credit. The Loan Parties ratify and reaffirm the terms of all LC Documents executed or entered into prior to the date hereof in connection with the Existing Letters of Credit.

4. Terms of Letters of Credit. After the date hereof, Regions may, in its sole and absolute discretion, upon request by a Loan Party issue one or more Letters of Credit. In the event that Regions agrees to issue any Letter of Credit, the Loan Parties shall comply with the terms of this letter agreement and the other LC Documents with respect to such Letter of Credit and the LC Documents shall govern the relationship among the parties hereto with respect to such Letter of Credit. **Regions shall have no commitment to issue, continue, extend, amend or modify any Letter of Credit**. As a condition to any issuance of a Letter of Credit, Regions may require the execution of an LC Application and an LC Agreement. This letter agreement is intended, and shall be deemed, to supplement the terms of all other LC Documents and the terms of this letter agreement shall be in addition to the other LC Documents. In the event of any direct conflict between the terms of any other LC Document and this letter agreement, this letter agreement shall control. Each LC Agreement shall be hereby modified as follows:

(a) Section 1(a)(xviii) of each LC Agreement shall be deemed to have been amended and restated in its entirety to read "The term "**good faith**" as used in or otherwise applicable to this Agreement has the meanings given to that term in UCC Article 5."

(b) Section 4(a) of each LC Agreement shall be deemed to have been amended to insert the phrase ", but upon notice from Regions Bank to Customer (except that no such notice shall be required if prohibited by applicable law, including by any automatic stay, or in the case of the following clause (ii))" immediately after the word "demand" in the second line thereof.

(c) Section 4(b) of each LC Agreement shall be deemed to have been amended to insert the following sentence immediately after the third sentence thereof: "Notwithstanding the foregoing (but excluding instances where (i) notice is prohibited by applicable law, including by any automatic stay, or (ii) the applicable date on which Regions Bank would make a payment is discernable by Customer in the exercise of reasonable diligence, including in the case of time drafts or a deferred payment or other date on which honor of payment is due), if Regions Bank has not notified Customer on or prior to the otherwise applicable due date, the due date shall be the banking day immediately following the date on which such notice is delivered."

(d) Section 5 of each LC Agreement shall be deemed to have been amended to insert the phrase "except for such claims and liabilities which arise from the gross negligence or willful misconduct of Regions Bank or any of its directors, officers, employees attorneys or agents (as determined pursuant to a final, non-appealable order of a court of competent jurisdiction), and in any case solely" immediately after the words "Letter of Credit" in the fourth line thereof.

(e) Section 15 of each LC Agreement providing for a grant of security interest in favor of Regions in substantially all personal property of the applicable Loan Party is hereby superseded by the grants of security interests and liens contemplated in this letter agreement.

(f) Clauses (iv) and (vi) of Section 16(a) of each LC Agreement shall be deemed to be inapplicable and omitted from such agreement in their entirety.

(g) Section 18(a)(xvi) of each LC Agreement shall be deemed to be inapplicable and omitted from such agreement in its entirety.

(h) The governing law for purposes of Section 25(a) of each LC Agreement shall be deemed to be law of the State of New York.

5. Terms of Bank Products. Regions provides, or may provide from time to time, in its sole and absolute discretion, for the account of one or more Loan Parties, Bank Products. As of the date hereof Regions provides the Loan Parties with purchasing card or similar charge or credit card products (collectively, the "PCard Product"), pursuant to the terms and conditions of the applicable agreements (including any Bank Product Agreements), instruments and other documents executed in connection therewith (collectively, the "PCard Documents"). For so long as Regions provides any Bank Product, the Loan Parties shall comply with the terms of this letter agreement and the applicable Bank Product Agreements with respect to such Bank Products, which together shall govern the relationship among the parties hereto with respect to such Letter of Credit. **Regions shall have no commitment to issue, continue, extend, amend or modify any Bank Product or Bank Product Agreement**. The Loan Parties reaffirm the right of Regions to terminate the Bank Products at any time in accordance with the Bank Product Agreements. This letter agreement is intended, and shall be deemed, to supplement the terms of the PCard Documents in respect of the PCard Product. The terms of this letter agreement shall be in addition to the PCard Documents. In the event of any direct conflict between the terms of any PCard Documents and this letter agreement, this letter agreement shall control. The Loan Parties ratify and reaffirm the terms of all Bank Product Agreements executed or entered into prior to the date hereof.

6. Cash Collateral Account; Continuing Obligations. Prior to date hereof, the Loan Parties tendered to Agent (by Agent's debit against deposit accounts of the Loan Parties maintained with Regions) a cash sum in the amount of $[___________] which amount was held, immediately prior to giving effect to this letter agreement, as cash collateral for the PCard Obligation, the LC Obligations and certain other debts being repaid in connection with the Payoff Letter, and which is held in the deposit account in the name of Forbes Energy Services LLC bearing number xxxx6789 (the "Cash Collateral Account") and maintained with Regions. The Cash Collateral Account and all Cash Collateral (as hereinafter defined) shall continue to be held as collateral security in favor of Regions in accordance with the terms hereof. Regions agrees to cooperate with the Loan Parties from time to time to enter into any side letters in connection with the LC Agreements required, as determined by Regions, to limit the scope of the collateral securing the LC Obligations and PCard Obligations to the collateral set forth herein. Each Loan Party acknowledges and stipulates that all LC Obligations and Bank Product Obligations are owing and payable without defense, offset or counterclaim (and to the extent there exists any such defense, offset or counterclaim on the date hereof, the same is hereby waived by such Loan Party) and nothing contained in the Payoff Letter or the transactions occurring in connection therewith shall limit or constitute a novation or accord and satisfaction. All LC Obligations and Bank Product Obligations outstanding on the date hereof are hereby reaffirmed and ratified by each Loan Party.

7. Withdrawal Rights Limited; Additional Cash Collateral. If the balance of available funds in the Cash Collateral Account is less than, on any date of determination, the sum (such sum on any such date of determination, the "Required Cash Collateral Amount") of (i) 105% of the LC Obligations, *plus* (ii) 120% of aggregate PCard Product line of credit, then Regions shall be authorized, without notice to any Loan Party, to debit the deposit accounts of the Loan Parties maintained with Regions for the difference and remit the proceeds to the Cash Collateral Account (and, in the event such funds are insufficient, Loan Parties shall, upon request by Regions, immediately remit cash to the Cash Collateral Account in the amount of such deficiency). In the event that the Required Cash Collateral Amount decreases due to expiration or cancellation of Letters of Credit, amendments to decrease the face amount of any Letters of Credit (in each case without replacement Letters of Credit being contemplated), or reductions to (or termination of) the aggregate line of credit provided pursuant to the PCard Product, Regions shall on the request of the Loan Parties, unless a default exists at such time under any LC Document or Bank Product Agreement, cooperate with Loan Parties to return or refund cash collateral in the Cash Collateral Account to the Loan Parties in order to cause the amount in the Cash Collateral Account to equal, on the date of determination, the Required Cash Collateral Amount. In the event that (a) all Letters of Credit expire or are all returned to Regions for cancellation and have not been drawn upon and the PCard Product is terminated, (b) all reimbursement obligations with respect to any drawings under the Letters of Credit have been fully paid pursuant to the provisions of the LC Documents and all amounts outstanding in connection with the PCard Product are repaid in full, (c) all accrued fees, unpaid expenses and other amounts under the LC Documents and PCard Product have been fully paid, (d) no other LC Obligations and no PCard Obligations, whether contingent or otherwise, are then outstanding, (e) no default exists at such time under any LC Document or Bank Product Agreement, and (f) not less than 91 consecutive days shall have elapsed since the date on which the foregoing clauses (a) through (e) shall have occurred and no bankruptcy or insolvency proceeding shall have occurred or been initiated with respect to any Loan Party or its assets in such period of time, upon request by Loan Parties, the applicable Loan Parties shall be entitled to receive any balance in Cash Collateral Account. Except as expressly stated in this paragraph, Loan Parties shall have no access to the Cash Collateral Account and shall have no right to direct or make withdrawals from the Cash Collateral Account, Regions shall have sole dominion and exclusive control over the Cash Collateral Account, and no Loan Party shall have the right to receive any balance in the Cash Collateral Account or any time deposits or any proceeds thereof or to request Regions to part with physical possession of any of the evidences of any time deposits constituting instruments.

8. Fees and other Charges. The Loan Parties, jointly and severally, shall pay to Regions (i) a fee for each Letter of Credit for the period from and excluding the date of issuance of same to and including the date of expiration or termination, equal to the average daily face amount of each outstanding Letter of Credit multiplied by a per annum rate determined by Regions from time to time in is discretion based upon such factors as Regions shall determine, including, without limitation, the credit quality and financial performance of the Loan Parties (which per annum rate is, as of the date of this letter agreement, 3.00%), such fee to be calculated on the basis of a three hundred sixty (360) day year for the actual number of days elapsed and to be payable in arrears on the first (1st) day of each calendar quarter and for so long as any Letter of Credit remains outstanding, and (ii) any and all fees and expenses as agreed upon by Regions and the Loan Parties from time to time in connection with any Letter of Credit, including, without limitation, in connection with the opening, amendment or renewal of any such Letter of Credit. All of the foregoing fees, charges and other amounts shall, for the avoidance of doubt, constitute LC Obligations. Nothing contained herein shall limit any fees, charges or other amounts, including for the reimbursement of expenses payable to Regions in connection with or pursuant to the other LC Documents or the Bank Product Agreements.

9. Security Interest. In order to secure Loan Parties' payment and performance in full of all of the LC Obligations and the PCard Obligations, each Loan Party hereby assigns and grants to Regions, for the benefit of itself and its affiliates, a security interest in and lien upon (i) the Cash Collateral Account, (ii) all deposits or other remittances at any time made to and balances in the Cash Collateral Account at any time, together with all cash, deposits, credits, money orders, checks, drafts, wire transfer funds and sums from time to time credited to or deposited or held in the Cash Collateral Account, (iii) any and all investments made at any time of any balances in the Cash Collateral Account, whether made in other deposit accounts, time deposits or otherwise, and (iv) any and all proceeds of any of the foregoing, in each case whether now or hereafter existing or arising, including any distributions from the foregoing and all interest earned in connection with the Cash Collateral Account (collectively, the "Cash Collateral"). Without any demand upon or notice of any kind to any Loan Party or any other person, Regions shall be entitled to debit the Cash Collateral Account in the amount of the LC Obligations and apply such Cash Collateral to the payment of the LC Obligations and shall be entitled to debit the Cash Collateral Account in the amount of the PCard Obligations and apply such Cash Collateral to the payment of the PCard Obligations. Upon and after the occurrence of either any default under any Bank Product Agreement or LC Document (including, without limitation, any failure of any Loan Party to reimburse Regions for any draw on a Letter of Credit), then Regions shall be entitled, without any demand upon or notice of any kind to any Loan Party, to debit the Cash Collateral Account and apply such Cash Collateral to the payment of the LC Obligations and the PCard Obligations in such order as Regions may determine in its discretion. Regions may collect or redeem any and all time deposits issued by Regions for application to the LC Obligations and PCard Obligations, with any withdrawal penalties on any such time deposits being considered a collection expense to be added to the LC Obligations or PCard Obligations, as applicable. All security interests, liens, rights and remedies set forth in this letter agreement are additional and cumulative to the security interest, liens, rights and remedies available to Regions pursuant to applicable law or in any Bank Product Agreement (all of which are hereby reaffirmed and ratified by the Loan Parties). Nothing contained in this letter agreement limits the reimbursement obligations of the Loan Parties for LC Obligations contained in the other LC Documents or the obligations of the Loan Parties in respect of any Bank Products contained in the Bank Product Agreements or the repayment obligations of Loan Parties in connection therewith. The Loan Parties represent and warrant to Regions that the Cash Collateral is not subject to any lien or security interest other than in favor of Regions and covenant that the Cash Collateral shall not at any time be subject to any lien or security interest other than in favor of Regions.

10. Authorization to File Financing Statement. Regions is hereby authorized to file in any Uniform Commercial Code filing office a financing statement naming each Loan Party as the debtor, and Regions, as secured party, and describing the collateral as the Cash Collateral. Regions may indicate some or all of the Cash Collateral on such financing statement, whether generally or specifically. The Loan Parties represent and warrant to Regions that their chief executive office is 3000 South Business Highway 281 Alice, Texas 78332 and that their legal names are as set forth in the first paragraph of this letter agreement.

11. Representations and Warranties. Each Loan Party represents and warrants to Regions, to induce Regions to enter into this letter agreement, that (i) the execution, delivery and performance of this letter agreement have been duly authorized by all requisite entity action on the part of such Loan Party, and (ii) this letter agreement has been duly executed and delivered by such Loan Party.

12. No Commitment. Nothing contained in this letter agreement shall constitute a commitment on the part of Regions or any affiliate thereof to extend or renew any Letter of Credit, issue any new Letter of Credit, or otherwise grant or continue any additional credit extensions or Bank Products to any Loan Party. Nothing contained in this letter agreement shall constitute a commitment on the part of Regions or any affiliate thereof to extend or renew any Bank Product, issue any new Bank Product, or otherwise grant any additional credit extensions or Bank Products to any Loan Party.

13. Notices. All notices, demands, requests, directions and other communications required or expressly authorized to be made by this letter agreement, whether or not specified to be in writing, shall be given and shall be deemed effective pursuant to the provisions of the applicable LC Document and Bank Product Agreement.

14. Expenses; Indemnity.

(a) Each Loan Party shall indemnify Regions Bank, and its officers, directors, affiliates, employees, representatives and agents (each, an "Indemnitee") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, fees and disbursements of counsel) arising from any action, litigation, proceeding, dispute or investigation which may be imposed on, incurred by, or asserted against Regions or any Indemnitee in any litigation, proceeding, dispute or investigation instituted or conducted by any governmental body or any other person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, this letter agreement, the LC Documents, the Payoff Letter or the Bank Product Agreements, whether or not Regions is a party thereto, except that no Indemnitee shall be entitled to indemnification hereunder to the extent that any of the foregoing arises out of the gross (not mere) negligence or willful misconduct of such Indemnitee as determined pursuant to a final, non-appealable order of a court of competent jurisdiction. Upon learning of any matter described above for which any Indemnitee may want to seek indemnity from any Loan Party, such Indemnitee shall promptly notify each Loan Party of such matter; provided, that, the failure to do so shall not in any manner limit, impair or affect the Loan Parties' indemnification obligations hereunder. Nothing contained herein or in any LC Document or Bank Product Agreement shall prohibit any Loan Party from seeking contribution or indemnity from any person other than Regions. **THE INDEMNITY SET FORTH IN THIS PARAGRAPH AND EACH OTHER INDEMNITY PROVIDED IN ANY LC DOCUMENT OR BANK PRODUCT AGREEMENT IN FAVOR OF ANY INDEMNITEE SHALL INCLUDE, WITHOUT LIMITATION, INDEMNIFICATION FOR ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES AND DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER (INCLUDING, WITHOUT LIMITATION, FEES AND DISBURSEMENTS OF COUNSEL) ARISING AS A RESULT OF THE NEGLIGENCE**

OR MISCONDUCT OF ANY INDEMNITEE, IN WHOLE OR IN PART (EXCEPT TO THE EXTENT ARISING OUT OF THE GROSS (NOT MERE) NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE AS DETERMINED PURSUANT TO A FINAL, NON-APPEALABLE ORDER OF A COURT OF COMPETENT JURISDICTION).

(b) The Loan Parties, jointly and severally, (and in addition to any rights of Regions in the other LC Documents or Bank Product Agreements) shall reimburse Regions for all costs and expenses (including without limitation, travel expenses) paid or incurred by Regions in connection with this letter agreement, the LC Documents or the Bank Product Agreements, including, without limitation: (i) (x) reasonable attorneys' fees and disbursements incurred by counsel to Regions in connection with the administration of this letter agreement, the LC Documents or the Bank Product Agreements, or any Letters of Credit or Bank Products, including, without limitation, the preparation, negotiation, execution and delivery of any amendment or waiver with respect thereto, and (y) reasonable attorneys' fees and disbursements incurred by counsel to Regions in connection with, at any time, (A) in all efforts made to enforce payment of any LC Obligations or Bank Product Obligations or collection of or other realization upon any Cash Collateral, (B) in defending or prosecuting any actions or proceedings arising out of or relating to this letter agreement, the LC Documents or the Bank Product Agreements, (C) in connection with the enforcement of this letter agreement, the LC Documents or the Bank Product Agreements, and (D) in enforcing Regions' security interest in or lien on any of the Cash Collateral, whether through judicial proceedings or otherwise; (ii) attorneys' fees and expenses, fees and expenses of financial accountants, advisors, consultants, appraisers and other professionals incurred by Agent and other costs and expenses incurred by Regions (A) in connection with the preparing, negotiating, entering into, or performing this letter agreement, the LC Documents or the Bank Product Agreements, any amendment, waiver, consent or other modification with respect thereto and the administration, work-out or enforcement of this letter agreement, the LC Documents or the Bank Product Agreements (which expenses incurred or paid pursuant to this clause (A) must be reasonable), (B) in instituting, maintaining, preserving and foreclosing on security interests or liens on any of the Cash Collateral, whether through judicial proceedings or otherwise, (C) in connection with any advice given to Regions with respect to its rights and obligations under this letter agreement, the LC Documents or the Bank Product Agreements or (D) that Regions reasonably deems necessary or appropriate for the performance and fulfillment of its functions, powers, and obligations pursuant to this letter agreement, the LC Documents or the Bank Product Agreements; and (iii) reasonable fees and disbursements incurred by Regions in connection with any collateral analysis or monitoring or other business analysis conducted by outside persons in connection with this letter agreement, the LC Documents or the Bank Product Agreements. The provisions of this Section 14 shall survive any termination of this letter agreement.

15. Miscellaneous.

(a) This letter agreement shall be governed by the law of the State of New York; shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; may be executed in any number of counterparts and by different parties to this letter agreement on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement; and may not be amended or any of its provisions waived other than in a writing signed by the party to be charged. Delivery of an executed counterpart of this letter agreement by facsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart. Any party delivering an executed counterpart of this letter agreement by facsimile or other electronic method of transmission also shall deliver an original executed counterpart, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this letter agreement.

(b) Nothing in this letter agreement is intended, or shall be construed, to modify, amend, waive or release any obligation of any Loan Party under any of the LC Documents or PCard Documents.

(c) Wherever possible, each provision of this letter agreement shall be interpreted in such manner as to be valid under applicable law. If any provision of this letter agreement is found to be invalid, illegal or unenforceable under applicable law, such provision shall be ineffective only to the extent of such invalidity, and the remaining provisions of this letter agreement shall remain in full force and effect.

(d) This letter agreement, the Payoff Letter, the LC Documents and PCard Documents represent and embody the entire agreement and understanding concerning the subject matter hereof among the parties hereto and thereto, and supersede all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts relating to or concerning the subject matter hereof, whether oral or written.

(e) Section headings used herein are for convenience of reference only, are not part of this letter agreement, and shall not affect the construction of, or be taken into consideration in interpreting, this letter agreement.

(f) Neither this letter agreement, nor any action taken in connection with the Cash Collateral Account, the Cash Collateral, the PCard Product or the Letters of Credit, by Regions shall be deemed a waiver of or consent to any default under any LC Document or Bank Product Agreement.

(g) **To the fullest extent permitted by applicable law, the parties hereto each hereby waives the right to trial by jury in any action, suit, counterclaim or proceeding arising out of or related to this letter agreement**.

(h) Promptly upon request by Regions, each Loan Party shall take such additional actions (including, without limitation, execution and delivery of such supplemental agreements or instruments, statements, assignments and transfers, or instructions or documents relating to the LC Documents, including one or more LC Applications and LC Agreements in form and substance satisfactory to Regions) as Regions may reasonably require from time to time in order (a) to carry out more effectively the purposes of this letter agreement, (b) to cure or resolve any inconsistency or ambiguity in any LC Document, Bank Product Agreement or this letter agreement, (c) to perfect and maintain the validity, effectiveness and priority of any of the security interests created, or intended to be created thereby, by this letter agreement (including, without limitation, disclaimer letters from any other secured lender to the Loan Parties or other person with a security interest or lien in the assets of any Loan Party with respect to the Cash Collateral), and (d) to better assure, convey, grant, assign, transfer, preserve, protect and confirm to Regions the rights granted or now or hereafter intended to be granted to Regions under this letter agreement, the LC Documents or any Bank Product Agreement. Without limiting the generality of the foregoing, upon Regions' request at any time, each Loan Party shall (and shall cause each other Loan Party to) guarantee (to the extent not already directly obligated with respect thereto) all of the LC Obligations and Bank Product Obligations pursuant to one or more guaranty agreements in form and substance satisfactory to Regions.

[Remainder of page intentionally left blank.]

If Regions agrees to and accepts the foregoing, please so indicate by executing in the spaces provided on the following page.

Very truly yours,

LOAN PARTIES:

FORBES ENERGY SERVICES LLC

By:___________________________________
Name: L. Melvin Cooper
Title: Senior Vice President and Chief Financial Officer

FORBES ENERGY INTERNATIONAL, LLC

By:___________________________________
Name: L. Melvin Cooper
Title: Senior Vice President and Chief Financial Officer

TX ENERGY SERVICES, LLC

By:___________________________________
Name: L. Melvin Cooper
Title: Senior Vice President and Chief Financial Officer

C. C. FORBES, LLC

By:___________________________________
Name: L. Melvin Cooper
Title: Senior Vice President and Chief Financial Officer

FORBES ENERGY SERVICES LTD.

By:___________________________________
Name: L. Melvin Cooper
Title: Senior Vice President and Chief Financial Officer

[Signatures continued on the following page]

ACCEPTED and AGREED as of
the date first written above:

REGIONS BANK

By:________________________________
Name: Gregory Garbuz
Title: Director

Exhibit A

Existing Letters of Credit

Letter of Credit No.	**Beneficiary**	**Face Amount (as amended, if applicable)**
		$________
		$________
		$________
		$________
		$________
		$________

Aggregate face amount of Existing Letters of Credit as of the date hereof: **$________**

Exhibit B

Form of LC Agreement

(attached)

Exhibit C

Form of LC Application

(attached)

Exhibit D

Certificate of Resolutions

(attached)

CERTIFICATE OF RESOLUTIONS

[__________ ___], 2017

[Note: To be determined with Board whether manager or member will adopt these resolutions.]

I, L. Melvin Cooper, DO HEREBY CERTIFY, that I am the Secretary of FORBES ENERGY SERVICES LLC, a limited liability company formed under the laws of the State of Delaware ("Energy Services") and the Assistant Secretary of each of TX ENERGY SERVICES, LLC, a limited liability company formed under the laws of the State of Delaware ("TX Energy"), C.C. FORBES, LLC, a limited liability company formed under the laws of the State of Delaware ("C.C."), FORBES ENERGY INTERNATIONAL, LLC, a limited liability company formed under the laws of the State of Delaware ("International"), and FORBES ENERGY SERVICES LTD., a Texas corporation ("Parent"; and together with Energy Services, TX Energy, International and C.C., each a "Company"), and am keeper of the records and seal thereof; that the following is a true, correct and complete copy of the resolutions duly adopted by the board of directors of each of Energy Services and Parent and by the ***[sole manager/member]*** of each of TX Energy, C.C. and International; that all of such resolutions were unanimously approved by written consent effective as of the date first written above; that such resolutions are still in full force and effect; and that I am authorized on behalf of each Company to deliver this certificate:

RESOLVED, that the President and Chief Executive Officer, Executive Vice President and Chief Operating Officer, Senior Vice President and Chief Financial Officer, or any of them, or the designee of any of them (each an "Authorized Officer" and collectively, the "Authorized Officers"), each be, and each hereby is, authorized and empowered (either alone or in conjunction with any one or more of the Authorized Officers) to take, from time to time, all or any part of the following actions on or in behalf of the Company: (i) to make, execute and deliver to Regions Bank (1) a letter agreement regarding cash collateral and letters of credit (the "Agreement") providing for, among other things, cash collateral in favor of Regions Bank in respect of letters of credit and certain purchasing card obligations and detailing other terms and conditions in respect of the issuance of letters of credit and bank products, and (2) all other agreements, documents and instruments contemplated by or referred to in the Agreement or executed by the Company in connection therewith; said Agreement and other agreements, documents and instruments to be substantially in the form presented by Regions Bank with such additional, modified or revised terms as may be acceptable to any Authorized Officer, as conclusively evidenced by his or her execution thereof; and (ii) to carry out, modify, amend or terminate any arrangements or agreements at any time existing between the Company (together with one or more of its affiliates from time to time) and Regions Bank.

RESOLVED, that any arrangements, agreements, security agreements, or other instruments or documents referred to in or executed pursuant to the Agreement by any Authorized Officer may be attested by such person and may contain such terms and provisions as such person shall, in his or her sole discretion, determine.

I DO FURTHER CERTIFY that John E. Crisp is (i) President and Chief Executive Officer of Energy Services, (ii) President, Chief Executive Officer and Secretary of International, (iii) President, Chief Executive Officer and Secretary of TX Energy, (iv) Executive Vice President and Chief Operating Officer of C.C., and (v) President and Chief Executive Officer of Parent, and is duly elected, qualified and acting as each such capacity.

I DO FURTHER CERTIFY that none of the articles of incorporation, certificate of incorporation, certificate of formation, articles of organization, limited liability company agreement, operating agreement, bylaws or other organizational or governing documents of any Company have been amended or otherwise modified since the same were certified to Regions Bank (in its capacity as agent pursuant to that certain Loan and Security Agreement dated September 9, 2011) on September 9, 2011, except for the merger of SUPERIOR TUBING TESTERS, LLC, a limited liability company formed under the laws of the State of Delaware, into C.C., as evidenced by a certificate of merger filed with the Delaware Secretary of State on or about July 1, 2015, a true, correct and complete copy of which was provided by or on behalf of the Companies to Regions Bank on or before the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of the date first written above.

____

L. Melvin Cooper, Secretary of Energy Services and Assistant Secretary of each other Company

I, John E. Crisp, am (i) President and Chief Executive Officer of Energy Services, (ii) President, Chief Executive Officer and Secretary of International, (iii) President, Chief Executive Officer and Secretary of TX Energy, (iv) Executive Vice President and Chief Operating Officer of C.C. and (v) President and Chief Executive Officer of Parent, and do hereby certify that the foregoing is a correct copy of the resolutions passed by the applicable governing body of each Company and that L. Melvin Cooper is Secretary of Energy Services and Assistant Secretary of each other Company and is duly authorized to attest to the passage of said resolutions on behalf of each Company.

____

John E. Crisp, as (i) President and Chief Executive Officer of Energy Services, (ii) President, Chief Executive Officer and Secretary of International, (iii) President, Chief Executive Officer and Secretary of TX Energy, (iv) Executive Vice President and Chief Operating Officer of C.C., and (v) President and Chief Executive Officer of Parent

PAYOFF CONFIRMATION LETTER

[__________ __], 2017

Via E-Mail

FORBES ENERGY SERVICES LLC
TX ENERGY SERVICES, LLC
C.C. FORBES, LLC
FORBES ENERGY INTERNATIONAL, LLC
FORBES ENERGY SERVICES LTD.
c/o Forbes Energy Services LLC
3000 Business Hwy 281 South
Alice, Texas 78333

Re: Termination of Loan Agreement

Gentlemen:

Reference is hereby made to that certain Loan and Security Agreement, dated September 9, 2011 (as at any time amended, modified, restated or supplemented, the "Loan Agreement") by and among FORBES ENERGY SERVICES LLC, a limited liability company formed under the laws of the State of Delaware ("Energy Services"), TX ENERGY SERVICES, LLC, a limited liability company formed under the laws of the State of Delaware ("TX Energy"), C.C. FORBES, LLC, a limited liability company formed under the laws of the State of Delaware and successor by merger to SUPERIOR TUBING TESTERS, LLC, a limited liability company formed under the laws of the State of Delaware ("C.C."), and FORBES ENERGY INTERNATIONAL, LLC, a limited liability company formed under the laws of the State of Delaware ("International"; and together with Energy Services, TX Energy and C.C., each a "Borrower" and collectively, the "Borrowers"), FORBES ENERGY SERVICES LTD., a Texas corporation ("Parent" or "Guarantor"; and, together with Borrowers, the "Loan Parties"); the lenders party thereto (the "Lenders"); and REGIONS BANK, an Alabama bank organized under the laws of the State of Alabama (in its individual capacity, "Regions"), as agent for such Lenders and other Secured Parties (as defined therein) (Regions, in such capacity, the "Agent"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

Reference is further made to (i) the letters of credit issued by Regions as Issuer under the Loan Agreement and outstanding as of the date hereof (the "Existing Letters of Credit") which are described further on Exhibit A attached hereto in the aggregate face amount of $[______________] and (ii) that certain Debtors' Prepackaged Joint Plan of Reorganization dated December 21, 2016 and filed with the United States Bankruptcy Court for the Southern District of Texas, Corpus Christi division (the "Court") in connection with Case No. 17-20023 (DRJ) (the "Case") on January 22, 2017, as amended, modified or supplemented (the "Plan").

Agent has been informed that Borrower intends (i) to terminate the Commitments on the date hereof (the "Termination Date") and (ii) to satisfy in full the Absolute Obligations (as defined below) by authorizing Agent to (x) debit the Cash Collateral Account (defined below) maintained with Regions and (y) apply such funds to the satisfaction of the Absolute Obligations set forth on Exhibit A to this letter agreement (this "Payoff Letter"). The "Absolute Obligations" means the amount of all Advances and other non-contingent Obligations of Loan Parties to the Lenders as set forth on Exhibit A, but excludes any (a) contingent indemnification Obligations for claims that as of the Effective Date (as hereinafter defined) are unasserted (such obligations, the "Surviving Indemnity Obligations"), (b) Bank Product Obligations arising from time to time in respect of any Bank Products provided by Regions (in such capacity, "Bank Product Provider") that are outstanding at any time on or after the Payoff Date, regardless of when incurred (such obligations, the "Surviving Bank Product Obligations"), including all liabilities in respect of any purchasing card products, (c) the Obligations arising from time to time with respect to the Existing Letters of Credit (and all renewals, modifications or extensions thereof), including reimbursement obligations and the obligation to pay fees in connection with the Letter of Credit (such obligations, the "Surviving LC Obligations"), and (d) the Surviving Professional Fees Obligation (as defined below, and together with the Surviving Indemnity Obligations, the Surviving Bank Product Obligations, the Surviving LC Obligations, and any other Obligations identified in Section 4 below, the "Surviving Obligations").

1. **Absolute Obligations Payoff Amount.** To facilitate the debit contemplated by the foregoing paragraph, Agent is hereby authorized and directed to debit on the date hereof the deposit account of Forbes Energy Services LLC bearing number xxxx6789 (the "Cash Collateral Account") and apply the proceeds thereof to application and payment of the Absolute Obligations. The total amount of the Absolute Obligations on the date hereof is as calculated on Exhibit B attached hereto (the "Absolute Obligations Payoff Amount"). If immediately available funds equal to the Absolute Obligations Payoff Amount are not received by Agent, or any other Payoff Condition (as defined in Section 2 below) is not satisfied, on or before 1:00 p.m. (Atlanta, Georgia time) on the date hereof (such time and date, the "Payoff Deadline"), this Payoff Letter will terminate automatically and be of no further force and effect without notice to any Loan Party or any other Person, and Loan Parties will need to contact Agent to obtain a new calculation of the Absolute Obligations Payoff Amount and a new payoff letter.

2. **Payoff Conditions.** The agreement of Agent to release all of its Liens upon the Collateral, other than those Liens set forth in the Letter of Credit Agreement (as defined in Section 2(d) below) and the Depository Agreements and other than Cash Management Liens (each as defined in Section 4(f) below), shall be subject to the timely satisfaction of each of the following conditions (the "Payoff Conditions") on or before the Payoff Deadline (the date on which all of the conditions have been satisfied being referred to as the "Effective Date"):

(a) Agent shall have confirmed receipt of immediately available funds in an aggregate amount equal to the Absolute Obligations Payoff Amount by its debit against the Cash Collateral Account on or before the Payoff Deadline;

(b) Agent shall have received counterparts of this Payoff Letter duly executed by each Loan Party;

(c) The Confirmation Order (as defined in the Plan) permitting the transactions contemplated by this Payoff Letter shall have been entered and no action staying such order has occurred prior to the date hereof; and

(d) Agent shall have received a duly executed Letter Agreement Regarding Cash Collateral and Letters of Credit in the form attached hereto as Exhibit E by and among Regions and the Loan Parties providing for, among other things, the grant of a security interest in, and the terms governing, cash collateral and issuance of letters of credit (including the Existing Letters of Credit) and cash collateral in respect of certain Bank Product Obligations (as at any time amended, modified, restated or supplemented, the "Letter of Credit Agreement"), and such Letter of Credit Agreement shall be effective and the Loan Parties shall be in compliance with all terms and conditions thereof.

3. Satisfaction of Absolute Obligations and Termination of Liens. Upon timely satisfaction of each of the Payoff Conditions, Agent and each Loan Party acknowledges and agrees as follows:

(a) All of the Absolute Obligations shall be deemed satisfied and paid in full;

(b) All commitments (including the Commitments), obligations, duties and responsibilities of Agent or any Secured Party to any Loan Party in connection with the Loan Agreement and any Other Documents shall automatically terminate (other than any obligations, duties and responsibilities of (x) Agent under this Payoff Letter, (y) Regions under the Letter of Credit Agreement, and (z) Bank Product Provider relating to any Surviving Bank Product Obligations); and

(c) Except as expressly provided in Section 4 hereof, all Liens and guarantees granted or created under the Loan Agreement or any Other Document shall be automatically and without further action by any party, forever and irrevocably released, discharged and terminated; and Agent agrees to prepare and deliver (and, as applicable, file) all terminations, releases, discharges and satisfactions, executed by Agent, if applicable, that are necessary to record the release, termination and discharge of any and all Liens Agent may have in the assets of Loan Parties to secure any of the Obligations, including (i) the discharges, terminations or releases of all UCC filings listed on Exhibit C attached hereto and incorporated herein, (ii) all terminations, releases and other agreements with respect to the deposit account control agreements identified on Exhibit D attached hereto and incorporated herein, (iii) lien release notations on certificates of title reflecting the lien of Agent with respect to motor vehicles, (iv) the return of any original stock certificates held by Agent to the Loan Parties or their counsel, and (v) any and all other discharges, terminations, releases and other agreements as reasonably requested by Loan Parties in order to effect or evidence the discharges, terminations and releases of Liens referred to herein or securing the Obligations. All costs and expenses of Agent with respect to the preparation, execution or recording of any terminations, releases or discharges of Liens or delivery of Collateral in connection with this Payoff Letter (including attorneys' fees and expenses) and the transactions contemplated hereby shall be borne solely by the Loan Parties and promptly reimbursed by the Loan Parties to Agent **on demand**.

4. **Survival of Obligations and Liens**. Notwithstanding any provision of this Payoff Letter to the contrary, the following Obligations and Liens shall survive, and shall remain in full force and effect following the occurrence of the Effective Date and the receipt by Agent of the Absolute Obligations Payoff Amount (and Agent shall be permitted to debit from, and setoff against, any deposit accounts of Loan Parties maintained with Regions for all such amounts and obligations):

(a) any Surviving Indemnity Obligations;

(b) any Obligation under any provision of the Loan Agreement or any Other Document that by its terms specifically survives termination;

(c) all Surviving LC Obligations, including the obligations of Loan Parties with respect to the Existing Letters of Credit and all obligations of the Loan Parties under the LC Documents;

(d) the Liens granted or available to Regions pursuant to the Letter of Credit Agreement (including all cash collateral described therein) or in any other documents, instruments, certificates and agreements delivered or entered into in connection with any letter of credit (including any Existing Letters of Credit) at any time issued by Regions (in any capacity) on behalf of any Loan Party, including, without limitation, requests and applications for letters of credit;

(e) all Surviving Bank Product Obligations, including with respect to all depository accounts maintained by any Loan Party at Bank Product Provider as of the date hereof (the "Existing Bank Accounts") and at any time hereafter, the Liens and rights of setoff set forth in subparagraph (f) below with respect thereto, and any obligation owing by Loan Parties to repay Bank Product Provider for any liabilities in respect of purchasing or credit card arrangements;

(f) the Liens and rights of offset granted or available to Bank Product Provider under any statutory or common law depository bank lien, any security interest of a collecting bank under Section 4-210 of the Uniform Commercial Code or other applicable law, or any other rights of Bank Product Provider, in its capacity as depository bank, pursuant to any depository agreement with any Loan Party (collectively, the "Depository Agreements"), which rights shall be governed by such Depository Agreements and applicable law (collectively, the "Cash Management Liens"), in each case to the extent securing Surviving Bank Product Obligations; and

(g) the obligations of Loan Parties under the Loan Agreement, the Other Documents, and this Payoff Letter to pay any reasonable professional fees and expenses incurred by Agent (and not included in and paid on the date hereof as part of the Absolute Obligations), in connection with (i) the negotiation and drafting of this Payoff Letter and of any agreement, instrument or document referred to herein or delivered in connection herewith, (ii) the preservation, perfection, protection and enforcement of Agent's rights under the Loan Agreement and the Other Documents, this Payoff Letter and of any agreement, instrument or document referred to herein, (iii) the collection of any Obligations, and (iv) the preparation and recording of the releases, discharges and terminations of Liens in accordance with Section 3(c) hereof (collectively, the "Surviving Professional Fees Obligations").

To the extent that any payments or proceeds (or any portion thereof), including any payment of the Absolute Obligations Payoff Amount, received by Agent are subsequently set aside, required to be repaid or asserted, invalidated or declared to be void or voidable under any state, federal or foreign applicable law relating to creditors' rights (including provisions of the Bankruptcy Code or other applicable law relating to fraudulent conveyances, preferences, transfers at undervalue or other voidable or recoverable payments of money or transfers of property), or Agent is required to repay or restore any payment made to Agent (in whole or in part), or Agent elects to do so upon the reasonable advice of its counsel, then the liability of Loan Parties with respect thereto (and as to all reasonable costs, expenses, and attorneys' fees of Agent related thereto) shall automatically be revived, reinstated, and restored and shall exist as though such payment or proceeds had never been made or received, and the Obligations of Loan Parties to Agent, or part thereof, which were or was intended to be satisfied by any such payment or proceeds shall automatically be revived and continue to be in full force and effect, as if the payment or proceeds had never been received by Agent.

5. **LC Documents**. Notwithstanding Section 4(c) and (d), upon the occurrence of the Effective Date, the Existing Letters of Credit shall be governed by the Letter of Credit Agreement and the other LC Documents. As used herein, "LC Documents" shall have the meaning ascribed thereto in the Letter of Credit Agreement. In the case of any direct conflict between the terms hereof and the LC Documents in respect of the treatment of any letters of credit, the terms of the LC Documents shall control.

6. **Existing Bank Accounts.** Loan Parties acknowledge and agree that (i) after the Effective Date, the Existing Bank Accounts are presently anticipated to remain open and available for use by Loan Parties, subject to the terms and conditions set forth in this Section 6, in any Depository Agreements or other agreements between Bank Product Provider and any Loan Party; (ii) Agent, for itself and the other Secured Parties, reserves all of its rights and remedies with respect to (including the right to retain and, without any obligation to do so, pursue collection of) each incoming automated clearinghouse ("ACH") transfer and each check and other instrument or payment item deposited in the Existing Bank Accounts from any Loan Party or any Loan Party's account debtors prior to full payment of the Absolute Obligations as contemplated hereby (such checks, instruments or other payment items being collectively called "Payment Items"); (iii) Agent has provisionally credited to Loan Party's account the amount of all such ACH transfers and the face amount of all such Payment Items received in the Existing

Bank Accounts, but, as of the date hereof, Agent may not yet have received full and final credit or payment therefor, and, if such full and final payment is not timely received, such unpaid amount shall be paid by Loan Parties to Agent promptly upon Agent's demand therefor (and, for the avoidance of doubt, without limiting any setoff rights of Agent or any Secured Party); (iv) Bank Product Provider shall have no obligation to any Loan Party to honor any checks drawn on any of the Existing Bank Accounts by an Loan Party or any requests by a Loan Party for a transfer of any balances from any Existing Bank Account and may dishonor and return such checks and refuse such requests, without any liability to any Loan Party or any other Person, unless at such time of presentment or request there are sufficient collected and available funds in the Existing Bank Accounts to cover such checks and other requests; (v) as of the Effective Date, Loan Parties shall be remain liable for all transactions in or with respect to the Existing Bank Accounts, for the full face amount of any check or other request for funds or payment that, for any reason, is dishonored, returned to Bank Product Provider or remains unpaid, and for any bank charges, account maintenance fees, and transfer fees, plus all other reasonable costs, including attorneys' fees and expenses, incurred by Bank Product Provider that arise as a result of any such dishonor, return or non-payment (collectively, the "Insufficiency Amount"); and (vi) Loan Parties shall reimburse and pay to Bank Product Provider, promptly after Bank Product Provider's demand therefor at any time, in immediately available funds, any Insufficiency Amount (and, for the avoidance of doubt, without limiting any setoff rights of Bank Product Provider). With respect to any indebtedness, liability or other obligation owing by any Loan Party on account of an Existing Bank Account (including any Insufficiency Amount), Bank Product Provider shall have any statutory or common law depository bank lien, any security interest of a collecting bank under Section 4-210 of the Uniform Commercial Code or other applicable law, and any other Liens, rights and remedies Depository Bank, in its capacity as depository bank, has pursuant to any Depository Agreement with any Loan Party or under applicable law, and each of the Loan Parties acknowledges and agrees that Bank Product Provider at any time may, and is expressly permitted, to set off and charge against any of the Existing Bank Accounts (regardless of the agreement of any Loan Party to compensate Bank Product Provider for any such amounts by means of balances in any such Existing Bank Account) any of such indebtedness, liability or other obligation. After the Effective Date, each Loan Party agrees to deliver such customary instruments and agreements as Depository Bank may reasonably request to evidence such Loan Party's continuing obligations with respect to the Existing Bank Accounts.

7. Professional Fees Amounts. To the extent additional Surviving Professional Fees Obligations are incurred in excess of the estimate of professional fees and expenses set forth on Exhibit A, the Loan Parties shall promptly reimburse Agent therefor on demand.

8. Release of Claims. Effective on the date hereof, each Loan Party, for itself and on behalf of its successors, assigns, officers, directors, employees, limited partners, general partners, investors, attorneys, subsidiaries, shareholders, trustees, agents, and other professionals, and any Person acting for or on behalf of, or claiming by or through it, hereby absolutely, unconditionally, and irrevocably waives, releases, remises, and forever discharges Agent, each Secured Party and each Affiliate of Agent or any Secured Party, together with each of their respective successors in title, past, present and future officers,

directors, employees, limited partners, general partners, investors, attorneys, assigns, subsidiaries, shareholders, trustees, agents, and other professionals (and all other Persons to whom any of the foregoing would be liable if such Persons were found to be liable to such Loan Party) (each a "Releasee" and collectively, the "Releasees"), from any and all past, present and future claims, demands, suits, liens, lawsuits, adverse consequences, amounts paid in settlement, debts, deficiencies, diminution in value, disbursements, demands, obligations, liabilities, causes of action, damages, losses, costs and expenses of any kind or character, whether based in equity, law, contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law (each a "Claim" and collectively, the "Claims"), whether known or unknown, fixed or contingent, direct, indirect, or derivative, asserted or unasserted, matured or unmatured, foreseen or unforeseen, past or present, liquidated or unliquidated, suspected or unsuspected, which any Loan Party ever had, now has or might hereafter have against any such Releasee, which Claims arise under or relate, directly or indirectly, to any act or omission by any Releasee that occurred on or prior to the Effective Date and relate, directly or indirectly, to the Loan Agreement or any Other Document, any of the Collateral or the Obligations or any matter related thereto or otherwise, or to any acts or omissions of any such Releasee in connection with, as a result of, arising out of, related to, or with respect to the Loan Agreement or any Other Document or the Obligations or any matter related thereto, or to the lender-borrower or debtor-creditor relationship evidenced by the Loan Agreement or any Other Document, except for the duties and obligations set forth in this Payoff Letter and in the LC Documents in effect on or after the date hereof, or those in the Letter of Credit Agreement. As to each and every Claim released hereunder, each Loan Party hereby represents and warrants to Agent and each other Secured Party that such Loan Party has received the advice of legal counsel with regard to the releases contained herein, and having been so advised, specifically waives the benefit of each provision of applicable federal or state law, if any, pertaining to general releases. The provisions of this Section 8 shall survive the termination of this Payoff Letter, the Loan Agreement and the Other Documents and the full payment of the Obligations. The foregoing releases are in addition to, and not in lieu of, any and all prior releases given by any Loan Party in favor of Agent or any other Secured Party under the Loan Agreement or any Other Document, all of which releases are and shall remain in full force and effect.

9. Counterparts; Electronic Signatures. This Payoff Letter may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Payoff Letter by signing any such counterpart. Delivery of an executed counterpart of this Payoff Letter by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart. Any party delivering an executed counterpart of this Payoff Letter by telefacsimile or other electronic method of transmission also shall deliver an original executed counterpart, but the failure to deliver an original executed counterpart shall not affect the validity, enforceability, and binding effect of this Payoff Letter.

10. **Governing Law.** This Payoff Letter shall be governed by and construed in accordance with the internal laws (but without regard to conflict of law principles) of the State of New York, but giving effect to federal laws relating to national banks.

11. **Severability.** Whenever possible, each provision of this Payoff Letter shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Payoff Letter shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Payoff Letter.

12. **Construction.** Neither this Payoff Letter nor any uncertainty or ambiguity herein shall be construed against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Payoff Letter has been reviewed by all of the parties to this Payoff Letter and shall be construed and interpreted according to the ordinary meaning of the words used so as to accomplish fairly the purposes and intentions of all parties hereto.

13. **Successors and Assigns.** This Payoff Letter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

14. **Termination of Advances.** Effective as of the date hereof, each Loan Party hereby acknowledges and agrees that Lenders and the other Secured Parties shall have no further obligation to make advances or extend any other financial or credit accommodations to or for the benefit of Borrower or any affiliate of Borrower under the Loan Agreement or any of the Other Documents.

[Remainder of page intentionally left blank; signature pages follow]

Please acknowledge your acceptance of, and agreement to, the foregoing by executing in the space provided below.

Very truly yours,

REGIONS BANK, as Agent

By:___________________________________
Name: Gregory Garbuz
Title: Director

[Signatures continued on the following page]

Acknowledged and accepted
as of the date first written above:

BORROWERS:

FORBES ENERGY SERVICES LLC

By:______________________________________
Name: _______________________________
Title:_________________________________

FORBES ENERGY INTERNATIONAL, LLC

By:______________________________________
Name: _______________________________
Title:_________________________________

TX ENERGY SERVICES, LLC

By:______________________________________
Name: _______________________________
Title:_________________________________

C. C. FORBES, LLC

By:______________________________________
Name: _______________________________
Title:_________________________________

GUARANTOR:

FORBES ENERGY SERVICES LTD.

By:______________________________________
Name: _______________________________
Title:_________________________________

Exhibit A

Absolute Obligations

1.	Principal Balance of Advances	$____________
2.	Accrued Interest on Advances	$____________
3.	Fees • Commitment Fees ($____________) • Letter of Credit Fees ($____________) • Other Fees ($______________)	$____________
4.	Expenses of Agent • Unreimbursed expenses of Agent ($____________) • Estimated fees and expenses of Agent's counsel outstanding as of the date hereof ($__________)	$____________
5.	**TOTAL (to be debited by Agent and remitted to the applicable payees)**	**$____________**

[Regions to confirm amounts ahead of payoff, including any unreimbursed expenses.]

Exhibit B

Existing Letters of Credit

[Regions to confirm ahead of payoff.]

Letter of Credit No.	**Beneficiary**	**Face Amount (as amended, if applicable)**
		$________
		$________
		$________
		$________
		$________
		$________

Aggregate face amount of Existing Letters of Credit as of the date hereof: **$________**

Exhibit C

UCC Filings

Name of Debtor	Name of Secured Party	Jurisdiction	Filing Date	Original Filing Number
C.C. Forbes, LLC	Regions Bank, as Agent	Delaware Department of State	9/9/2011	20113472225
C.C. Forbes, LLC	Regions Bank, as Agent	Delaware Department of State	8/23/2012	20123284058
Forbes Energy International, LLC	Regions Bank, as Agent	Delaware Department of State	9/9/2011	20113472258
Forbes Energy Services LLC	Regions Bank, as Agent	Delaware Department of State	9/9/2011	20113472266
Forbes Energy Services Ltd.	Regions Bank, as Agent	Texas Secretary of State	9/9/2011	11-0026560304
Superior Tubing Testers, LLC	Regions Bank, as Agent	Delaware Department of State	9/9/2011	20113472274
TX Energy Services, LLC	Regions Bank, as Agent	Delaware Department of State	9/9/2011	20113472217

Exhibit D

DACA Terminations

1. Deposit Account Control Agreement among Brush Country Bank, C.C. Forbes, LLC, Regions Bank, as Agent, dated September 9, 2011

2. Deposit Account Control Agreement among Texas Champion Bank, TX Energy Services, LLC, Regions Bank, as Agent, dated September 9, 2011

3. Deposit Account Control Agreement among First Community Bank, Superior Tubing Testers, Regions Bank, as Agent, dated September 9, 2011

4. Deposit Account Control Agreement among Citibank, N.A., C.C. Forbes, LLC, Regions Bank, as Agent, dated September 9, 2011

5. Deposit Account Control Agreement among Capital One, N.A., Forbes Energy Services, Ltd., Regions Bank, as Agent, dated September 9, 2011

6. Deposit Account Control Agreement among Capital One, N.A., Forbes Energy Services, LLC, Regions Bank, as Agent, dated September 9, 2011

7. Deposit Account Control Agreement among Capital One, N.A., C.C. Forbes, LLC, Regions Bank, as Agent, dated September 9, 2011

8. Deposit Account Control Agreement among Capital One, N.A., TX Energy Services, LLC., Regions Bank, as Agent, dated September 9, 2011

9. Deposit Account Control Agreement among Capital One, N.A., Forbes Energy International, LLC, Regions Bank, as Agent, dated September 9, 2011

Exhibit E

Form of Letter Agreement regarding Cash Collateral and Letters of Credit

(attached)